REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, June 28, 2017

REGULATORY AMENDMENTS FOR INCREASED PROGRAM ACCOUNTABILITY

PURPOSE OF REPORT

To present to the State Allocation Board (Board) for approval amendments to the template grant agreement that incorporate language from the June 5, 2017 meeting and conforming amendments as a result of trailer bill language.

DESCRIPTION

At its June 5, 2017 meeting, the Board approved a grant agreement template and conforming regulatory amendments. As part of the discussion, Staff indicated that necessary changes as a result of proposed trailer bill language would be presented to the Board if the statute was enacted. Recently*, Assembly Bill 99 was enacted, which established Education Code (EC) Section 41024.

This item seeks Board approval for the revised template grant agreement. The revised template grant agreement reflects changes in accordance with EC Section 41024, items that were read into the record at the June 5 meeting, and minor technical corrections. This item includes the following Attachments:

- See Attachment 1 for the updated template grant agreement with strikeout and underline
- See Attachment 2 for the clean updated template grant agreement.

AUTHORITY

Authority is included as Attachment 3.

BACKGROUND

At its June 5, 2017 meeting, the Board approved the proposed grant agreement and conforming regulatory amendments. At the time, legislation was pending that impacted the template grant agreement.

Staff has reviewed the chaptered legislation* and drafted relevant amendments to the template grant agreement.

STAFF ANALYSIS/STATEMENTS

Summary of Changes

Based on the creation* of EC Section 41024, changes to the template read into the record, and additional technical edits, Staff has made corresponding changes to the template grant agreement. The changes are reflected in the updated document, which is included as Attachment 1. Former language is in strikeout and new language is underlined to facilitate review of these changes.

*This assumes the Governor will sign the budget by June 28, 2017.

STAFF ANALYSIS/STATEMENTS (cont.)

The following is a summary of the main changes in the Grant Agreement:

Reason for Change			Description of Change
Board Approval	Statutory*	Technical Edits	
	X		Section D – Additional detail regarding how funds are repaid. (page 8) Section F – Additional detail regarding how funds are repaid. (page 19)
	X		Section F - Record retention requirements (pages 18 and 20)
	X	X	Section F – Clarifications made to Savings Audit (pages 20 and 21)
X			Sections G & H - Lists of eligible and ineligible expenditures were clarified for refrigerators, stoves, freezers, and exercise equipment. (pages 31, 35, 54, and 69)
X			Sections G & H - Districts may seek written communication from OPSC to clarify whether an item is an eligible or ineligible expenditure, and local auditors may rely on this written communication when performing the project audit. (pages 23 and 75)

Summary

Staff recommends that the Board approve the updated grant agreement template in Attachment 2.

RECOMMENDATIONS

1. Adopt the amended template grant agreement as shown on Attachment 2.
2. Authorize the Executive Officer to file the template grant agreement as regulations on an emergency basis with the Office of Administrative Law.

This Item was approved by the State Allocation Board on June 28, 2017.

*This assumes the Governor will sign the budget by June 28, 2017.

Office of Public School Construction Application Number: _____

GENERAL INFORMATION

Grantee Name:_____

School Name: _____

Grant Amount: _____ of which _____ is Financial Hardship Assistance.

Authority: _____ [relevant Bond Act(s)]

SFP Program Funding Source: _____
(e.g., New Construction, Modernization, Charter Schools Facilities Program, or Career Technical Education Facilities Program)

Future Priority Funding Rounds: _____ (first priority funding window, second priority funding window)

PROJECT DESCRIPTION

Type of Work: _____ (e.g., New Construction, Modernization, Career Technical Education Facilities Program New Construction, Facility Hardship rehabilitation work funded with New Construction grants, Facility Hardship replacement work funded with Modernization grants, etc.)

New School or Addition to an Existing Site: _____

Number of Classrooms: _____

Financial Hardship Approval Date: _____

Financial Hardship Status is valid until: _____ (date)

Agreement includes Grants for: _____ (Site Acquisition; Department of Toxic Substances Control fees and hazardous waste removal; etc.)

Agreement includes Grants for: _____ (Site Development, if appropriate)

Other Facilities being newly constructed, modernized, replaced, or rehabilitated: _____

_____

_____

_____

Office of Public School Construction Application Number: _____

Square Footage being replaced: _____ Toilet Area sq. ft.
_____ Other Area sq. ft. (all non-toilet area)
(include for Facility Hardship replacement or Seismic Mitigation Program replacement projects)
For purposes of Facility Hardship and Seismic Mitigation Program projects, shower/locker area is considered "toilet area."

Approved rehabilitation cost estimate: _____
(include for Facility Hardship rehabilitation or Seismic Mitigation Program rehabilitation projects)

This project scope and resulting funding determination relied on the following documentation and state agency approvals:

- The Funding Application (Form SAB 50-04), executed by the District Representative on XXXXX
- The Application for Charter School Preliminary Apportionment (Form SAB 50-09), executed by the District Representative on XXXXX
- The Application for Career Technical Education Facilities Funding (Form SAB 50-10), executed by the District Representative on XXXXX
- Site Approval letter from the California Department of Education dated XXXXX
- Plan Approval letter from the California Department of Education dated XXXXX
- Division of the State Architect Approval letter(s) dated XXXXX for DSA Application Number(s) YYYY.
- Financial Hardship Approval Letter from the Office of Public School Construction dated XXXXX
- Bridge Financing Approval Letter from the Office of Public School Construction dated XXXXX
- The industry specialist report prepared by (insert name of specialist or firm), dated XXXXX that details the minimum work necessary to mitigate the (health and safety or seismic) threat in this (rehabilitation or replacement) application
- Written concurrence dated XXXX from (enter name of governmental agency) agreeing with the (health and safety or seismic) threat and the minimum work to mitigate the threat in the industry specialist report

A copy of the documentation listed here is available as part of the project file maintained by OPSC, and is also retained by the District for purposes of the project audit.

Grants are to be used in accordance with the provisions contained in the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 2, Division 2, Part 10, Chapter 12.5, commencing with Section 17070.10) and this Agreement.

The Grantee shall not make any change to the Project that would require a Change of Scope, without the State Allocation Board first approving the change to the Project.

Office of Public School Construction Application Number: _____

TERMS AND CONDITIONS OF GRANT

A. Definitions

Terms not defined below shall have the same meaning as set forth in SFP Regulation Section 1859.2.

"Act" means the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 1, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10).
"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.
"Application" means a request pursuant to the Act to receive funding for a school project.
"Apportionment" shall have the meaning set forth in Education Code Section 17070.15(a).
"Audit report" means the annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
"Board" means the State Allocation Board as established by Section 15490 of the Government Code.
"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to School Facility Program Regulation Section 1859.103, means capital assets in accordance with Section G of this Agreement.
"Change of Scope" means the addition or deletion of any work that would change the approved Grant amount for the Project or require updated state agency approval(s). This includes, but is not limited to, changes to site acquisition acres, or buildings, including but not limited to classrooms, multipurpose rooms, gymnasiums, administration buildings, restrooms, and libraries/media centers, and any changes to the size of those buildings, the type of building (e.g. portable, modular, or permanent),or the location on the school site of those buildings.
"Charter School Agreements" mean a memorandum of understanding, a funding agreement, and a use agreement as established by the California School Finance Authority.
"Classroom" means a teaching station that has the same meaning as the term used in Education Code Section 17071.25(a)(1).
"Expenditure Report" means the Form SAB 50-06 *Expenditure Report* and all required supplementary documentation, including but not limited to a detailed listing of project expenditures organized by fund source and provided at an object-code-level of accounting detail, pursuant to the California School Accounting Manual, that shall include fields to identify information including, but not limited to dates, payees, warrant numbers, and the description and purpose of the expenditures as described in California Code of Regulations, Title 2, Regulation Section 1859.104.
"Financial Hardship" means State funding for all or a portion of the Grantee's matching share required by School Facility Program Regulation Section 1859.77.1 or 1859.79.
"Funding Application" means the Form SAB 50-04, *Application for Funding,* or the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, or the Form SAB 50-10, *Application for Career Technical Education Facilities Funding,* and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2, Regulation Sections 1859.70, 1859.161 or 1859.191, as applicable.
"Fund Release Application" means the Form SAB 50-05, *Fund Release Authorization,* and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Act and the Regulations.

Office of Public School Construction Application Number: _____

"Grants" means all eligible program grants provided by the Board to the Grantee in this Agreement.
"Grantee" means the school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, whose representative has signed this Agreement for Grants.
"Grantee Representative" means the authorized representative of a school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, who signed this Agreement for Grants.
"Hazardous Material/Waste Removal Fund" shall mean the fund established pursuant to California Code of Regulations, Title 2, Regulation Section 1859.163.3(b).
"In Escrow, Governmental Entities" means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee's receipt of funding from the Board.
"In Escrow, Non-Governmental Entities" means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee's receipt of funding from the Board.
"Ineligible Expenditure" means an expenditure of Grants not in accordance with this Agreement or the applicable laws and regulations governing the use of Grants.
"Local auditor" means an auditor hired at the Grantee's expense who conducts annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
"Material Inaccuracy" means a finding of falsely certified eligibility or Funding Application related information submitted by Grantees, architects, or other design professionals that allowed the Grantee an advantage in the funding process. For penalties associated with Material Inaccuracy findings, see Education Code Section 17070.51.
"Modernization" means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 6 (commencing with Section 17073.10) and 7 (commencing with Section 17074.10).
"Most Vulnerable Category 2 Buildings" means the building meets the criteria outlined in Section 1859.82(a)(1)(C) and is one of the following building types:
C1 – Concrete Moment Frame
C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms
C2A - Concrete Shear Wall with Flexible Diaphragms
C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms
PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms
PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms
PC2 – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms
URM – Unreinforced Masonry Bearing Wall with Flexible Diaphragms
RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms
URMA – Unreinforced Masonry Bearing Wall with Rigid Diaphragms
S1B – Steel Cantilever Columns with Flexible Diaphragms
S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or
M – Mixed construction containing at least one of the above structure types.

Office of Public School Construction Application Number: _____

"New Construction" means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 3 (commencing with Section 17071.75), 4 (commencing with Section 17072.10), and 5 (commencing with Section 17072.20).
"Occupancy" means the point at which pupils occupy a classroom as evident by district documents such as the school board's adopted calendar, classroom attendance rosters, fire marshal approval of the classroom, etc.
"Office of Public School Construction (OPSC)" means the office within the California Department of General Services that assists the Board as necessary and administers the Act on behalf of the Director of General Services.
"Other Sources of Funds" means cash, the Grantee's matching funds, or in-kind contributions that are required or used to complete the project beyond the Grants provided by this Agreement.
"Preliminary Funding Application" means the Form SAB 50-09, *Application for Charter School Preliminary Apportionment,* and all required supplementary documentation pursuant to the Act and the Regulations.
"Project" means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.
"Regulations" means the School Facility Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.5, commencing with Regulation Section 1859).
"Relocation/DTSC Fee Fund" shall mean the fund established pursuant to Regulation Section 1859.163.3, in order to set aside funding at the time Preliminary Charter School Apportionments are approved by the Board for relocation expenses and/or DTSC fees that will be provided at the Final Charter School Apportionment upon submission of actual costs.
"Savings" means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1859.103, achieved by the Grantee's efficient and prudent expenditure of Grants.
"School District" shall have the meaning set forth in Education Code Sections 17070.15(m) and 17073.25.
"School Facility Program (SFP)" means the programs implemented under the Act.
"State" means the state of California.
"Unfunded List (Lack of AB 55 Loans)" means an information list of unfunded projects that was created due to the state's inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans) to fund school construction project as declared in the Department of Finance Budget Letter #33 issued on December 18, 2008.
(Authority: SFP Regulation 1859.2)

B. Term of Grant Agreement

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall be the parties to this Agreement. This Agreement must be entered into by both parties prior to, and as a condition of, the release of any funding for the Project. This Agreement becomes effective on the date the Board approves the Project for placement on the Unfunded List (Lack of AB 55 Loans). This Agreement terminates once (1) all Grants and the Grantee's matching funds, including interest generated by the Grants, is expended, and when all of the Parties' obligations under this Grant Agreement are fully satisfied, or (2) if the Board rescinds the unfunded approval or apportionment , or (3) if the Grantee withdraws its Funding Application.

Office of Public School Construction Application Number: _____

C. Project Execution

1. The Board hereby awards to the Grantee a sum of money (Grants) $_____ in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement. Grants may also be expended for the purposes of a future high priority Capital Outlay project as the result of Savings, or for the purposes of reimbursement, pursuant to SFP Regulation Section 1859.90.4.

(Authority: New Construction: Education Code Sections 17072.20 and 17070.63; New Construction and Modernization: SFP Regulations Article 8 commencing with Section 1859.70; Charter School Facilities Program: Article 14 commencing with Section 1859.160; Career Technical Education Facilities Program: Article 16 commencing with Section 1859.190)

2. Prior to the release of any funding for the Project, Office of Public School Construction staff has completed the following steps to finalize the Project funding amount outlined in this Agreement, as necessary:

   i. The Funding Application was accepted on _____ (date) and deemed to meet the definition of an Approved Application. The Grantee was provided written notification of any deficiencies and given 24 hours to remedy the identified deficiency(s) in order to retain the date upon which it was received.

   ii. Upon confirmation of an Approved Application, Office of Public School Construction staff reviewed the Funding Application for compliance with School Facility Program Regulations and verified eligibility for all available program grants. The Grantee was provided written notification of all deficiencies and/or changes necessary and given 15 calendar days to respond and remedy the identified deficiencies and/or changes necessary.

   iii. Upon review of the submitted corrections, Office of Public School Construction staff provided the Grantee written notification of any final deficiencies and required a response within four business days.

   iv. Upon receipt of the final amendments to the Funding Application, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for placement on the Unfunded List (Lack of AB 55 Loans).

(Authority: SFP Regulation Sections 1859.2, 1859.70, 1859.93, 1859.93.1; and Office of Public School Construction process)

3. Grantee certifies that the Project complies with all laws and regulations applicable to the Project.

(Authority: Form SAB 50-04 certifications)

Office of Public School Construction Application Number: _____

4. Grantee certifies that the Project complies with all labor and public contract laws, as applicable, including, but not limited to:

   i. Public Contract Code Section 20111.6, as added by Chapter 808, Statutes of 2012 (Assembly Bill 1565), which became effective on September 30, 2012. Beginning January 1, 2014 through December 31, 2018, new contracting requirements are effective for school districts with an average daily attendance of 2,500 or more for construction projects with estimated expenditures of at least $1,000,000 that will be funded through the SFP or any future state school bonds. These new Public Contract Code requirements require a standardized prequalification questionnaire and financial statement to be verified under oath from all bidders.

   ii. Labor Code Section 1773.3, as amended by Senate Bill 854, Chapter 28, Statutes of 2014, which requires school districts that have School Facility Program projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in Labor Code section 1771.4(b)(2).

   iii. Chapter 378, Statutes of 2011 (Assembly Bill 436), which required the Department of Industrial Relations to monitor and enforce prevailing wage requirements for every State bond funded project, including School Facility Program projects, pursuant to Labor Code Section 1771.7 for projects in which the initial public works construction contract was awarded before January 1, 2012. The Project must have also been apportioned from either Proposition 47 or 55 and the construction phase of the Project commenced on or after April 1, 2003.

   iv. Chapter 868 Statutes of 2002 (Assembly Bill 1506), which made projects funded from either Proposition 47 (2002) or Proposition 55 (2004) with a notice to proceed date on or after April 1, 2003 subject to Labor Compliance Program requirements as outlined in Labor Code Section 1771.5.

Project Execution Signature
All laws and regulations noted in Sections (i), (ii), (iii), and (iv) above have been, and will be, followed, as applicable.
X _____ Date_____

(Authority: Form SAB 50-04 certifications)

Office of Public School Construction Application Number: _____

D. Receiving Board Approval

1. Grantee must have (1) title, (2) leasehold, or (3) other interest to Project lands. Title may include an order for pre-judgement possession issued by a court in an eminent domain proceeding.

(Authority: Education Code Section 17070.70; SFP Regulation Sections 1859.74 and 1859.74.1)

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project.

(Authority: Education Code Section 17070.63(a))

3. The Grantee has established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Regulation Sections 1859.100 through 1859.102).

(Authority: SFP Regulation Section 1859.100 and Form SAB 50-04 certifications)

4. The Grantee has or will comply with Education Code Section 17076.11 regarding at least a three (3) percent expenditure goal for disabled veteran business enterprises.

(Authority: Form SAB 50-04 certifications)

5. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for both New Construction and Charter School Facilities Program projects, and (2) Grants not used by the Grantee that failed to meet substantial progress and (3) unspent Financial Hardship Grants, (4) unspent Charter School Facilities Program Grants, or (5) unspent Career Technical Education Facilities Program Grants must be returned to the state school facilities fund from which the Grants were apportioned as a result of an audit, pursuant to Education Code Section 17076.10 and Education Code Section 41024, as applicable.

6. The Grantee understands and agrees that, if it does not remit the amount of Ineligible Expenditures identified in the audit report within 120 days of being invoiced by the California Department of Education, and if no repayment plan has been approved pursuant to paragraph (d) of Section 41024 of the Education Code, then the Controller shall deduct the total amount of any Ineligible Expenditures from apportionments pursuant to paragraph (d) of Section 41024 of the Education Code. The Grantee may request a payment plan pursuant to paragraph (d) of Section 41024 of the Education Code.

7. If the Grants will be used for the construction or modernization of school facilities on leased land, the Grantee has entered into a lease agreement for the leased property that meets the requirements of School Facility Program Regulation Section 1859.22.

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8. The Grantee has established a facilities inspection system to ensure that each of its schools is maintained in good repair.

[Authority: Education Code Section 17070.75(f)]

9. The statutorily-required Grantee matching funds have either been expended by the Grantee, have been deposited by the Grantee in the county fund, or will be expended by the Grantee ~~by the time the project is completed~~ prior to notice of completion of the project.

(Authority: Education Code Sections 17072.30, 17074.16, 17078.72(g)(1), 17078.54(d), and 17075.10(b)(2); Form SAB ~~50-05~~ 50-04 certifications)

10. The Grantee has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.

(Authority: Education Code Section 17070.96)

11. Financial Hardship Review Process

i. If the Grantee has requested Financial Hardship Grants, the Financial Hardship approval from the Office of Public School Construction was valid (Financial Hardship approvals are valid for 180 days) on the date the Approved Funding Application was received by the Office of Public School Construction.

[Authority: SFP Regulation Section 1859.81(e)]

ii.

a) If the Grantee has requested Financial Hardship Grants and has a bridge financing debt instrument in place, or will have a bridge financing debt instrument in place in the future in order to move the Project forward until Grants become available, then the Grantee agrees that it has received, or will receive, bridge-financing approval from the Office of Public School Construction.

b) The Grantee also agrees to retire all bridge financing debt within 60 calendar days of receiving Grants. Failure to retire all bridge financing debt within 60 calendar days of receiving Grants will result in the amount of the Financial Hardship Grants in this Agreement being reduced by the amount of the bridge financing that was not retired.

iii. If the Project remained on the Unfunded List (Lack of AB 55 Loans) for more than 180 days, the Grantee understands and agrees that the Office of Public School Construction shall conduct a review to determine if the Grantee has additional funds available to contribute to the Grantee's matching funds.

[Authority: SFP Regulation Section 1859.81(e) and (f)]

iv. If the additional Office of Public School Construction review, pursuant to Section (iii) above, determined that the amount of the Financial Hardship Grant required an

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adjustment, pursuant to Financial Hardship rules detailed in SFP Regulation Section 1859.81, the amount of the Grants detailed in this Agreement will be amended.
[Authority: SFP Regulation Section 1859.81(a)]

12. [Instructions: The following sections only apply to the program, or other circumstance, that is detailed in this Agreement.]

New Construction:
i. The Grantee has received approval of the site and the plans from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment.
(Authority: SFP Regulation Section 1859.81.1)

ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Seismic Mitigation Program Replacement or Facility Hardship Replacement:
The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the _____ (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____ _____ (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the _____ _____ (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the “Most Vulnerable Category 2 Buildings”.

Site Acquisition: The Grantee has complied with Sections 1859.74 through 1859.75.1, as appropriate. The Grantee shall provide all applicable county assessor parcel numbers for the land being acquired for the Project. Grantee understands and agrees that Grants for site acquisition (i.e. site purchase, hazardous materials mitigation, relocation, etc.) as described in Section F (Accounting for Spent Funds) of this Agreement are limited to actual eligible expenditures. Therefore, the audit report may result in an adjustment (increase or decrease) to the Grant amount based on the final approved expenditures related to site acquisition separate and apart from all other Grants.

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Modernization of Portable Classrooms: If this Agreement includes the modernization of portable classrooms eligible for an additional Apportionment pursuant to Education Code Section 17073.15, the Grantee certifies that either:

i. The Grants will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,

ii. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional Apportionment is better use of public resources than the replacement of these facilities.

(Authority: SFP Regulation Section 1859.78.8)

Modernization or Charter School Facilities Program Rehabilitation: If this Agreement includes the modernization or Charter School Facilities Program Rehabilitation funding, the Grantee has received approval of the plans for the project from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment or advance release of funds for design from a Preliminary Charter School Apportionment.

(Authority: Modernization: SFP Regulation Section 1859.81.1; Charter: SFP Regulation Section 1859.163)

Seismic Mitigation Program Rehabilitation or Facility Hardship Rehabilitation:
The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the _____ (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____ (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat..

The Project must have concurrence by an appropriate governmental agency agreeing with the _____ (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the “Most Vulnerable Category 2 Buildings”.

The Project must have the approval letter from DSA indicating that the work in the project plans is the minimum work required to mitigate the _____ (health and safety or seismic) threat, which includes any other work triggered by the

Office of Public School Construction Application Number: _____

_____
(health and safety or seismic) mitigation work and that is required in order to obtain DSA approval.

Charter:

i. Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program funds meet the requirements of Regulation Section 1859.163.

ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Charter- Preliminary Charter School Apportionment:

i. The Grantee agrees that failure to submit a Final Charter School Apportionment within the timelines prescribed for a Preliminary Charter School Apportionment (four years with a possible one year extension subject to Board approval) shall be cause for rescission of the Preliminary Charter School Apportionment; and,
(Authority: SFP Regulation Section 1859.166)

ii. The Grantee agrees that when the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment, the funding available for the Final Charter School Apportionment is subject to the provisions of Section 1859.167; and,
(Authority: SFP Regulation Section 1859.167)

iii. The Grantee agrees that the California School Finance Authority must determine that the Grantee is financially sound at the time of the Preliminary Charter School Apportionment, advance release of design and/or site funds, and at the time of conversion to a Final Charter School Apportionment or the Preliminary Charter School Apportionment will be rescinded; and,
(Authority: SFP Regulation Section 1859.163)

iv. The Grantee agrees that in addition to this grant agreement, the Grantee must also enter into the Charter School Agreements.
(Authority: SFP Regulation Section 1859.90.2)

Career Technical Education Facilities Program:

The Grantee has complied with the Career Technical Education Facilities Program (CTEFP) eligibility criteria as outlined in Section 1859.192; and,.

For Projects that received an Apportionment pursuant to SFP Regulation Section 1859.193(d) (CTEFP reservation of funds):

i. The Grantee understands and agrees that by reserving funds in advance of obtaining the necessary approvals from California Department of Education and the Division of the State Architect, the Grantee must submit the necessary

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approvals and/or plans and specifications within one year of Apportionment; otherwise the Apportionment will be rescinded without further Board action.

ii. Upon approval for placement on the Unfunded List (Lack of AB 55 Loans), the Grantee will receive a template of the Project Grant Agreement. OPSC will provide the Grantee the final Grant Agreement for the Project upon receipt of the necessary approvals from the Division of the State Architect and California Department of Education

ii. The Grantee understands and agrees that the executed the Grant Agreement must be submitted prior to fund release.

(Authority: SFP Regulation Section 1859.197)

Office of Public School Construction Application Number: _____

E. Receiving an Apportionment and Receiving Funds

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall enter into this Agreement prior to, and as a condition of, the release of any funding for the Project.
(Authority: proposed SFP Regulation Sections 1859.90 and 1859.90.2)

Additionally:

1. The Grantee understands and agrees that, pursuant to School Facility Program Regulation Sections 1859.90.2 and 1859.90.3:
   i. The Grantee shall participate in the priority funding process by submitting a valid priority funding request during a 30-day filing period after being placed on the Unfunded List (Lack of AB 55 Loans) in order to receive an Apportionment in accordance with Regulation Section 1859.90.3.
   ii. Failure to submit a valid request within the filing period or failure to submit a valid *Fund Release Authorization* (Form SAB 50-05) after the Board approves an Apportionment shall result in an occurrence of non-participation.
   iii. The Grantee understands and agrees that Grants may not be available for this Project after the Grantee has submitted a valid priority funding request. When the Grantee submits a valid priority funding request and Grants are not available, the Grantee shall not be charged with an occurrence of non-participation.
   .
   iv. After the second occurrence of non-participation, the funding for the Project shall be rescinded without further action by the Board.

2. Any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a complete Fund Release Application, and shall not exceed $_____ except for _____.
   (site-related exceptions)
(Authority: Education Code Sections 17072.13, 17072.14, and 17072.18)

3. Supplementary documentation submitted with, or prior to, a Fund Release Application must include this Agreement as well as documentation that proves the following:
   i. The Grantee has entered into a binding contract(s) for at least 50 percent of the construction included in the plans and specification applicable to this Project.
   ii. Notice to Proceed dates.
   iii. For Career Tech projects where the Grantee received an Apportionment without needing Division of State Architect approval, evidence of Division of the State Architect approval date.
   (Authority: Form SAB 50-05 certifications)

4. If the Office of Public School Construction finds that the Fund Release Application is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be

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invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Application within 90 days of Apportionment. However, if the Grantee does not submit a valid Fund Release Application within 90 days of the Apportionment the Grantee will receive a non-participation occurrence as described in (1.)(ii) above. The Grantee will not receive Grants at that time. Furthermore, any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.

(Authority: proposed amendment to School Facility Program Regulations)

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F. Accounting for Spent Funds

1. For purposes of completing the Expenditure Reports required pursuant to Education Code Section 17076.10, over the course of the project, the Grantee shall maintain a general ledger at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the *California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure*.

(Authority: Education Code Section 17076.10)

2. Annual Expenditure Reports
   Pursuant to Education Code 17076.10, beginning 12 months from the first fund release, and continuing annually for a period of up to _____ years after the final fund release, as described in SFP Regulation Section 1859.104, the Grantee shall submit an Expenditure Report to the Office of Public School Construction.

3. Substantial Progress Compliance Reviews

   i. Pursuant to Education Code Section 17076.10, the Grantee shall be subject to a substantial progress review by the Office of Public School Construction under this Agreement with respect to all matters connected with this Agreement. The Grantee shall provide substantial progress documentation 18 months from the latest fund release. The Office of Public School Construction will consider the requirements of substantial progress met if the Grantee submits its Expenditure Report for a completed project up to 18 months from the latest fund release. The Office of Public School Construction must notify the Grantee within 60 days of receiving the documentation if a review and analysis of the information will be conducted.

   (Authority: SFP Regulation Section 1859.105)

   ii. For Grantees That Have Received Grants for Construction:
   The substantial progress documentation required shall include evidence that either 75 percent of the site development work is complete, or 90 percent of the building work is under contract, or 50 percent of all construction activities are complete.

   (Authority: School Facility Program Regulation Section 1859.105)

   The documentation that the Grantee shall provide shall include, but is not limited to:
   a) The fund source indicated, for each project cost,
   b) Assessor's parcel number, for site acquisition costs,
   c) Qualification Appraisal(s) for Architect/Engineer/Construction Manager,
   d) Architect/Engineer/Construction Management Agreement(s),
   e) Evidence the Grantee has met Disabled Veteran Business Enterprise contractual requirements,
   f) Construction Contract Agreements to date,
   g) Construction Bid Summaries,
   h) Construction Delivery Method,

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i) Project expenditures, to date, submitted on Detailed Listing of Project Expenditures (DLOPE) worksheet or in an equivalent format [the Office of Public School Construction will review expenditure totals for purposes of determining compliance with substantial progress requirements but will not review expenditures to determine eligibility under the program (this will be done by the local auditor)],
j) General ledger report that details project expenditures to date
k) Submittal of written policy and procedures that documents processes for accounting of School Facility Program project activities.
l) Construction schedule of values or Continuation Sheet
m) Project cost estimate

(Authority: Education Code Section 17071.10 and SFP Regulation Section 1859.105)

iii. For Grantees That Have Received Advanced Financial Hardship Site Grants or Environmental Hardship Grants:
The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:
a) The final site appraisal,
b) The California Department of Education final approval letter, evidence of the completion of any and all California Environmental Quality Act requirements
c) Final escrow instructions or evidence the Grantee has filed condemnation proceedings including intent to request an order of possession of the site, as applicable.

(Authority: SFP Regulation Section 1859.105 or 1859.105.1, as applicable)

iv. For Grantees That Have Received Advanced Financial Hardship Grants for Design:
The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:
a) An Approved New Construction or Modernization Adjusted Grant Application; or,
b) A certification that the final building plans have been submitted to and accepted by the Division of the State Architect for review and approval.

(Authority: SFP Regulation Section 1859.105)

v.
a) Should the Office of Public School Construction determine that the Grantee has not made substantial progress ~~towards project completion~~ as described in (F)(3)(i), (ii), (iii), and (iv), it will inform the Grantee of its findings and require the Grantee to submit a final expenditure report within 60 days of notification, pursuant to SFP Regulation Section 1859.105. If no Grants have been expended by the Grantee, then the Office of Public School Construction will recommend to the Board that the project be rescinded.
b) If Grants have been expended by the Grantee, then
I. The Project shall be subject to an audit pursuant to Section 41024 of the Education Code and the applicable provisions outlined in Section (F)(4) of this Agreement. The audit shall identify Grants expended in accordance

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with program requirements and the amount of any unspent Grants and the amount of any Ineligible Expenditures.

II. Once the amount of unspent Grants has been determined in the audit report described in (i) to be repaid and the Grantee repays the Grants, the Office of Public School Construction shall take an item to the State Allocation Board make a corresponding baseline eligibility adjustment, when applicable.

(Authority: SFP Regulation Section 1859.105)

4. Final Project Audit

The Grantee understands and agrees to the following:

i. Upon Project completion pursuant to SFP Regulation Section 1859.104, the Office of Public School Construction ~~will~~ may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office that the Grantee is subject to an audit of the Project by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide Project documentation, if requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

ii. Project documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:

a) Proof of acreage purchased
b) Proof of site costs and adjusted site grants, where applicable
c) Copy of Form SAB 50-04
d) Copy of SAB Board item(s) (Approval of project Apportionment)
e) DSA Approval Letter
f) Final CDE Approval Letter
g) Architect Final Billing
h) Proof of Routine Restricted Maintenance Account Deposit or documentation demonstrating district's facilities ~~maintenance~~ are maintained in good repair
i) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), for all sources of funding
j) Final construction billing and invoices,
k) Any and all change orders
l) Proof of date of Occupancy
m) If the Grantee's matching funds have already been expended for this Project or have been deposited in the County School Facility Fund, the Grantee shall provide accounting records, such as a general ledger, for all sources of funding, verifying those previous expenditures or deposits. If the matching funds have been or will be spent from a Certificate of Participation (COP), then the Grantee

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shall indicate the fund that the proceeds from the COP were originally deposited into or will be deposited into. The Grantee shall also include a copy of the COP booklet. Providing the official notice of intent to sell bonds may be provided to prove that the Grantee will expend the Grants prior to the time the project is completed, as described complete pursuant to SFP Regulation Section 1859.104. If the Grantee has funds from another source not listed here, the Grantee shall provide the accounting records, such as a general ledger verifying the expenditures and deposits.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

iii. During the local auditor's audit and/or upon completion of the audit report, the Grantee understands and agrees that its Expenditure Report is final and may not be subsequently adjusted or amended.

iv. The Grantee understands and agrees that:

(a) Should the audit report determine that the Grantee spent Grants on Ineligible Expenditures, the local auditor will inform the California Department of Education of the amount of the Ineligible Expenditure ~~and the amounts will be paid as described in Section 41024 of the Education Code~~. The ~~penalty~~ amount to be remitted will be limited to the proportionate percentage of Grants and Financial Hardship Grants. Grantees will not be required to provide the state with ~~penalty~~ payments related to the amount of their matching funds. Ineligible Expenditures funded by Grants will not be considered Savings.

(b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).

(c) The California Department of Education will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).

(d) The Grantee may request a repayment plan from the California Department of Education related to the recovery of Grants described in (c).

(e) In order to recover funds as part of a repayment plan described in (d), the California Department of Education will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

~~iv.~~vi. The Grantee shall provide its Expenditure Report for a ~~completed project~~ Project deemed complete pursuant to SFP Regulation Section 1859.104, and any and all audit reports, including the audits of Savings, to the Office of Public School Construction~~, pursuant to Education Code Section 17076.10, including the audits of Savings~~.

(Authority: Education Code Section 17076.10)

~~v.~~vii. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with the Board-approved project scope, including a

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final inspection ~~upon project completion~~ for a Project deemed complete pursuant to SFP Regulation Section 1859.104.
(Authority: Education Code Section 17076.10)

5. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority Capital Outlay with the exception of when Savings are generated:
(1) in the Charter School Facilities Program, or
(2) in the Career Technical education Facilities Program, or
(3) in advance of a site adjustment, or
(4) for Financial Hardship Grants.
(Authority: Education Code Section 17070.63 and SFP Regulation Section 1859.103)

If the Grantee uses Savings ~~may only be used~~ to contribute to the Grantee's matching share on other SFP projects, then ~~if~~ those SFP projects may only be ~~are~~ funded from the same program (e.g. New Construction, Modernization), that this Project is funded from.
(Authority: SFP Regulation Section 1859.103)

The Grantee understands and agrees to the following:

i. Upon the Grantee declaring Savings pursuant to SFP Regulation Section 1859.103, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office, that the Grantee is subject to annual audits of the Savings by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting until the Grantee has expended all Savings. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide documentation related to the use of Savings, when requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

ii. Savings documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
   a) The Grantee's final expenditure report submitted to the Office of Public School Construction, and
   b) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), and
   c) General ledger report verifying that the Savings has been deposited to county school facilities fund and detail verifying the expenditure of the funds for high priority Capital Outlay, and
   d) Construction billing and related invoices.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

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iii. The Grantee understands and agrees that its Savings expenditure reports submitted to the local auditor are final and may not be subsequently adjusted or amended.

iv. The Grantee understands and agrees that:

(a) Should the audit report determine that the Grantee spent Savings on Ineligible Expenditures, the local auditor will inform the California Department of Education of the amount of the Ineligible Expenditure~~ and the amounts will be paid as described in Section 41024 of the Education Code~~. The ~~penalty~~ amount to be remitted will be limited to the Savings. Grantees will not be required to provide the state with ~~penalty~~ payments related to the amount of their matching funds.

(b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).

(c) The California Department of Education will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).

(d) The Grantee may request a repayment plan from the California Department of Education related to the recovery of Grants described in (c).

(e) In order to recover funds as part of a repayment plan described in (d), the California Department of Education will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

~~iv.~~v. The Grantee shall provide its Savings expenditure reports, and any and all audit reports, to the Office of Public School Construction, pursuant to Education Code Section 17076.10.

~~v.~~vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with eligible uses of Savings.

(Authority: Education Code Section 17076.10)

6. Site Adjustments

Should the audit report determine that the amount of Grants received for site acquisition requires adjustment, then, upon receipt of the audit, the Office of Public School Construction will present the ~~project~~ Project to the State Allocation Board for an adjustment to the ~~project~~ Apportionment, in accordance with Education Code Section 41024 (c)(2)~~(A)~~.

7. Charter School Facilities Program and Career Technical Education Facilities Program Unspent Grants, plus Interest

Should the audit report determine that the Grantee completed either the Charter Schools Facilities Program Project or the Career Technical Education Facilities Program Project without using all the Grants provided for eligible expenditures, ~~the repayment of amounts found to be unspent shall be consistent~~the Office of Public School Construction will present

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the Project to the State Allocation Board for an adjustment to the Apportionment, in accordance with Education Code Section 41024 (c)(2)~~(A)~~.

8. Financial Hardship
   Should the audit report determine that there are unspent Financial Hardship Grants, then the Grantee agrees to either (1) repay the unspent Financial Hardship Grants pursuant to Education Code Section 41024(c)(2) or (2) use the unspent Financial Hardship Grants on a future project(s), provided the Grantee qualifies for Financial Hardship Grants when it applies for funding for the future project(s).
   i. Upon receipt of the audit report, the Office of Public School Construction will notify the Grantee to determine whether the Grantee will repay the unspent Financial Hardship Grants immediately or use them for a future project(s). The Grantee will have 30 days to respond to the request.
   ii. If the Grantee intends to use unspent Financial Hardship Grants on a future project(s), it must do so within three years of the audit report's determination that not all Financial Hardship Grants were expended for this Project or from the date that Savings was declared by the Grantee, whichever comes first. Failure to use unspent Financial Hardship Grants on a future project(s) within that time will result in the Grantee repaying the unspent amount plus interest.

   (Authority: Education Code Section 41024 and SFP Regulation Section 1859.81)

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G. Advisory Listing Detailing Common Eligible Project Expenditures

Project expenditures not listed in this document will not be considered eligible for funding under the School Facility Program.*

Project expenditures will only be considered eligible if:

- The expenditures are within the Project scope that was approved by the State Allocation Board
- The expenditures are substantiated with contracts, invoices, final billings, and verification of payment
  (Authority: Education Code Section 41024)
- The expenditures are expended or encumbered prior to ~~the deadline to complete the Project~~ the time a project is deemed complete, pursuant to SFP Regulation Section 1859.104
  (Authority: Education Code Section 17076.10~~ and SFP Regulation Section 1859.104~~)

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

*Project expenditures not listed in the following tables may be considered if those expenditures are reasonable and appropriate site development work pursuant to SFP Regulation Section 1859.76.
(Authority: SFP Regulation Section 1859.76)

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1. New Construction - Separate Apportionment for Design Costs Or Adjusted Grant
Charter Schools Facilities Program - Separate Apportionment for Design Costs Or Adjusted Grant
Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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2. New Construction - Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program - Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual site cost.	Ed. Code Sections 17072.12, 17072.35 & SFP Reg. Section 1859.74
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Reg. Sections 1859.74, 1859.74(2) or 1859.74(3), as appropriate
c.	Escrow Fees	
d.	Legal Fees associated with: • The review of site acquisition documents • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements.	
e.	Litigation costs not to exceed the total SFP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
	DTSC Fees	

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	Type of Expenditure	Authority
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35
	Hazardous Waste Removal	
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Pla • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	
	Relocation Assistance	
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250	Ed. Code Sections 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000

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	Type of Expenditure	Authority
	Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed $25,500 • Business • Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site. When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover. • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment :in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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3. New Construction - Adjusted Grant
Charter Schools Facilities Program - Adjusted Grant
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35*
d.	Construction Tests	Ed. Code Section 17072.35
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of	PCC Section 201114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	
g.**	General Site Development within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	SFP Reg. Section 1859.76(d)
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35
i.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	SFP Reg. Section 1859.76(b)
j.**	Service Site Development costs within school	SFP Reg. Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	1859.76(a)
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric • Communication systems	SFP Reg. Section 1859.76(c)
l.	Furniture and Equipment that meet all of the criteria as described in Government Code Section 16727 and the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than two years. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs.	Ed. Code Section 17072.35 & CSAM Procedure 770

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	It exceeds the minimum dollar value of capitalization threshold established by the local educational agency, but in no case should the threshold be less than $5,000. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers~~ – Only if used to provide food service to all students~~ • Refrigerators~~ – Only if used to provide food service to all students~~ • Stoves~~ – Only if used to provide food service to all students~~ • Exercise equipment – Only if ~~used~~ available for use by all students	
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17072.35
n.	Demolition Costs	Ed. Code Section 17072.35
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35*

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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4. Modernization - Separate Apportionment for Design Costs Or Adjusted Grant Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25
g.	Energy Analysis Fee	Ed Code Section 17074.25*
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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5. Modernization - Adjusted Grant
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25*
d.	Construction Tests	Ed Code Section 17074.25
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade.	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25
h.**	Utility Services – Only if approved for fifty years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Section 1859.78.7
i.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers~~ – Only if used to provide food service to all students~~ • Refrigerators~~ – Only if used to provide food service to all students~~ • Stoves~~ – Only if used to provide food service to all students~~ • Exercise equipment – ~~If used~~ Only if available for use by all students	Ed Code Section 17074.25 & CSAM Procedure 770

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
j.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • White/Chalk Boards • Library Books	Ed Code Section 17074.25
k.	Demolition Costs – the cost must be attributable to replacement of "like kind" building area (see SFP Regulation Section 1859.79.2(a)).	Ed Code Section 17074.25
l.	Interim Housing	Ed Code Section 17074.25*
m.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	SFP Reg. Section 1859.74.2(c)

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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6. Career Technical Education Facilities Program - New Construction Common Eligible Project Expenditures

To be considered eligible, a cost must be part of the detailed project cost estimate approved by Office of Public School Construction.

PLANNING COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
j.	Preliminary Site Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)

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ENGINEERING COSTS		
Type of Expenditure		Authority
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
l.	Construction Management Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
o.	Construction Tests	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(a)(4) & (b)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a)
r.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours	PCC Section 20114

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	• For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	
s.**	General Site Development *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
t.	Inspections	
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	
v.**	Service Site Development *(Not allowed as part of*	SFP Reg. Section

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	Career Technical Educational Facilities Project included in a New Construction Grant) costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	1859.193(a)&(b)(3)
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by a Career Technical Education Facilities Program project *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric • Communication systems	SFP Reg. Section 1859.193(a)&(b)(4)
x.	Equipment expenditures for Career Technical Education Facilities Program projects – as approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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7. Career Technical Education Facilities Program - Modernization Common Eligible Project Expenditures

To be considered eligible, a cost must be part of the detailed project cost estimate approved by the Office of Public School Construction.

	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Construction Management Fees	
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) & SFP Reg. Section

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	Type of Expenditure	Authority
		1859.193(c)
o.	Construction Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(c)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
r.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114
s.**	General Site Development within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)

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	Type of Expenditure	Authority
	• Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	
t.	Inspections	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	
v.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by Career Technical Education Facilities Program	SFP Reg. Section 1859.193(c)(4)

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	Type of Expenditure	Authority
	project (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric • Communication systems	
x.	Equipment expenditures for Career Technical Education Facilities Program projects – Equipment must have been approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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8. Facility Hardship (Non-Seismic) - Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.	

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DESIGN COSTS		
	Type of Expenditure	Authority
	• The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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9. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	CDE Site Review Costs	
e.	Legal Fees associated with: • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements.	
f.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
g.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
h.	Survey Costs	
	DTSC Fees	
i.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
	Hazardous Waste Removal	
j.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
k.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82

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	Type of Expenditure	Authority
	Relocation Assistance	
I.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250 Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed $25,500 • Business Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the	Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82

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	Type of Expenditure	Authority
	property, or installation of property at the replacement site When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover. • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment :in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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10. Facility Hardship (Non-Seismic) - Replacement
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82
f.	Force Account Labor – complies with the Public	PCC Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	201114 & SFP Reg. Section 1859.82
g.**	General Site Development within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	SFP Reg. Section 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
i.**	Off-Site Development costs on up to two	SFP Reg. Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	1859.76(b) & 1859.82
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	SFP Reg. Section 1859.76(a) & 1859.82
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric	SFP Reg. Section 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Communication systems	
l.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers~~ – Only if used to provide food service to all students~~ • Refrigerators~~ – Only if used to provide food service to all students~~ • Stoves~~ – Only if used to provide food service to all students~~ • Exercise equipment – Only if ~~used~~ available for use by all students	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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11. Facility Hardship (Non-Seismic) - Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Regulation Sections 1859.105 &1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors,	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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12. Facility Hardship (Non-Seismic) - Rehabilitation
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering	PCC Section 20114 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Interim Housing	Ed Code Section 17074.25* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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13. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors,	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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14. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	Legal Fees associated with: • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements.	
e.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
	DTSC Fees	
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
	Hazardous Waste Removal	
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	

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	Type of Expenditure	Authority
	Relocation Assistance	
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000 . This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250 Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed $25,500 • Business Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover.	Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82

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	Type of Expenditure	Authority
	• Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment: in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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15. Facility Hardship (Seismic) – Replacement
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b); SFP Reg. Sections 1859.79.2 &

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.82
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 201114 & SFP Reg. Section 1859.82
g.**	General Site Development within school property lines (including, but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	SFP Reg. Sections 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
i.	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, • Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	SFP Reg. Sections 1859.76(b) & 1859.82
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	SFP Reg. Sections 1859.76(a) & 1859.82
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric	SFP Reg. Sections 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Communication systems	
l.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers~~ – Only if used to provide food service to all students~~ • Refrigerators~~ – Only if used to provide food service to all students~~ • Stoves~~ – Only if used to provide food service to all students~~ • Exercise equipment – Only if ~~used~~ available for use by all students	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		17072.35 & SFP Reg. Section 1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

Office of Public School Construction Application Number: _____

16. Facility Hardship (Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section

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DESIGN COSTS		
	Type of Expenditure	Authority
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	17074.25* & SFP Reg. Section 1859.82
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: _____

17. Facility Hardship (Seismic) – Rehabilitation
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Sections 17074.25 & 1859.82
j.	Interim Housing	Ed Code Sections 17074.25* & 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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H. Advisory Listing Detailing Common Ineligible Project Expenditures

The following tables are intended to provide advisory listings of common, but not exhaustive, ineligible Project expenditures.

In addition to the ineligible Project expenditures listed on the following tables, any costs associated with the Grantee's local debt issuance or interest on the Grantee's local bond(s) are also ineligible Project expenditures.

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

Office of Public School Construction Application Number: _____

1. New Construction – Separate Apportionment for Design Costs Or Adjusted Grant
Charter Schools Facilities Program – Separate Apportionment for Design Costs Or Adjusted Grant
Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

2. New Construction – Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program – Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

3. New Construction – Adjusted Grant
Charter Schools Facilities Program – Adjusted Grant
Common Ineligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

Office of Public School Construction Application Number: _____

4. Modernization – Separate Apportionment for Design Costs Or Adjusted Grant Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25
b.	For projects that received Design funds only any construction related expenditures are not eligible	

5. Modernization – Adjusted Grant Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training	

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

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6. Career Technical Education Facilities Program – New Construction Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17078.72 & SFP Reg. Sections 193(a)&(b) & 1859.199
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.	Ed Code Section 17078.72 & SFP Reg. Sections 193(a)&(b) & 1859.199

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	• Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17018.72(a) & SFP Reg. Sections 193(a)&(b) & 1859.199

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7. Career Technical Education Facilities Program – Modernization Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	• Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17018.72(a) & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: _____

8. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

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9. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

10. Facility Hardship (Non-Seismic) – Replacement
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.
'

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: • Computers • Printers	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	• Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

Office of Public School Construction Application Number: _____

11. Facility Hardship (Non-Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

Office of Public School Construction Application Number: _____

12. Facility Hardship (Non-Seismic) – Rehabilitation
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not an eligible cost for a facility hardship rehabilitation project unless specifically approved by DSA.	

Office of Public School Construction Application Number: _____

13. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

Office of Public School Construction Application Number: _____

14. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

15. Facility Hardship (Seismic) – Replacement
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not	

Office of Public School Construction Application Number: _____

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	eligible, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

Office of Public School Construction Application Number: _____

16. Facility Hardship (Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

Office of Public School Construction Application Number: _____

17. Facility Hardship (Seismic) – Rehabilitation
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not eligible for a facility hardship rehabilitation project unless specifically approves by DSA.	

Office of Public School Construction Application Number: _____

I. Record Retention

Grantee shall maintain satisfactory financial accounts, documents, and records for the Project, at a Project-specific level of detail. Grantee shall also retain such financial accounts, documents, and records necessary for an audit, pursuant to Education Code Section 41024(a)(4).

Financial accounts, documents, and records may be retained electronically.
(Authority: Government Code Section 12275(a) and (b), and Education Code Section 41024)

J. Material Inaccuracy

If a failure by the Grantee to comply with the terms of this Agreement, or an audit report determination that the Grantee has violated applicable state or federal law as it relates to this Project, stems from falsely certified information on the Funding Application or Fund Release Application (including certifications made by architects or other design professionals), then Material Inaccuracy findings and penalties, as described in Education Code 17070.51 and SFP Regulation Section 1859.104.1, may apply.

K. Conflict of Interest

All Grantees are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.

1. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including, but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.

2. Employees and Consultants to the Grantee: Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

Office of Public School Construction Application Number: _____

L. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

M. Disputes

1. Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Office of Public School Construction. The Office of Public School Construction and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

2. Any claim that the Grantee may have regarding the audit report's project expenditure determination shall be adjudicated by the Education Audit Appeals Panel, consistent with Education Code Section 41344.

N. Electronic Filing

Any communication under this Grant Agreement shall be in writing and may be transmitted by electronic means. Communication sent electronically will be effective on the date of transmission.

O. Supplement, Not Supplant

The terms and conditions of this Agreement are intended to supplement, not supplant, the laws and regulations that apply to this Project. The Grantee understands and agrees to adhere to all laws and regulations that apply to this Project, even if those laws and regulations are not specifically cited in this Agreement.

P. Exact Duplicate

This Agreement is an exact duplicate (verbatim) of the Agreement provided by the Office of Public School Construction. In the event a conflict should exist, the language in the Agreement provided by the Office of Public School Construction will prevail.

Office of Public School Construction Application Number: _____

SIGNATURES

The statements set forth in this Agreement are true and correct to the best of my knowledge and belief. IN WITNESS WHEREOF, this Agreement has been executed by the parties.

NAME OF GRANTEE REPRESENTATIVE (PRINT)	PHONE NUMBER
SIGNATURE OF GRANTEE REPRESENTATIVE	DATE
SIGNATURE OF EXECUTIVE OFFICER OF THE OFFICE OF PUBLIC SCHOOL CONSTRUCTION, OR DESIGNEE	DATE

Office of Public School Construction Application Number: _____

GENERAL INFORMATION

Grantee Name:_____

School Name: _____

Grant Amount: _____ of which _____ is Financial Hardship Assistance.

Authority: _____ [relevant Bond Act(s)]

SFP Program Funding Source: _____
(e.g., New Construction, Modernization, Charter Schools Facilities Program, or Career Technical Education Facilities Program)

Future Priority Funding Rounds: _____ (first priority funding window, second priority funding window)

PROJECT DESCRIPTION

Type of Work: _____ (e.g., New Construction, Modernization, Career Technical Education Facilities Program New Construction, Facility Hardship rehabilitation work funded with New Construction grants, Facility Hardship replacement work funded with Modernization grants, etc.)

New School or Addition to an Existing Site: _____

Number of Classrooms: _____

Financial Hardship Approval Date: _____

Financial Hardship Status is valid until: _____ (date)

Agreement includes Grants for: _____ (Site Acquisition; Department of Toxic Substances Control fees and hazardous waste removal; etc.)

Agreement includes Grants for: _____ (Site Development, if appropriate)

Other Facilities being newly constructed, modernized, replaced, or rehabilitated: _____

_____

_____

_____

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Square Footage being replaced: _____ Toilet Area sq. ft.
_____ Other Area sq. ft. (all non-toilet area)
(include for Facility Hardship replacement or Seismic Mitigation Program replacement projects)
For purposes of Facility Hardship and Seismic Mitigation Program projects, shower/locker area is considered "toilet area."

Approved rehabilitation cost estimate: _____
(include for Facility Hardship rehabilitation or Seismic Mitigation Program rehabilitation projects)

This project scope and resulting funding determination relied on the following documentation and state agency approvals:

- The Funding Application (Form SAB 50-04), executed by the District Representative on XXXXX
- The Application for Charter School Preliminary Apportionment (Form SAB 50-09), executed by the District Representative on XXXXX
- The Application for Career Technical Education Facilities Funding (Form SAB 50-10), executed by the District Representative on XXXXX
- Site Approval letter from the California Department of Education dated XXXXX
- Plan Approval letter from the California Department of Education dated XXXXX
- Division of the State Architect Approval letter(s) dated XXXXX for DSA Application Number(s) YYYY.
- Financial Hardship Approval Letter from the Office of Public School Construction dated XXXXX
- Bridge Financing Approval Letter from the Office of Public School Construction dated XXXXX
- The industry specialist report prepared by (insert name of specialist or firm), dated XXXXX that details the minimum work necessary to mitigate the (health and safety or seismic) threat in this (rehabilitation or replacement) application
- Written concurrence dated XXXX from (enter name of governmental agency) agreeing with the (health and safety or seismic) threat and the minimum work to mitigate the threat in the industry specialist report

A copy of the documentation listed here is available as part of the project file maintained by OPSC, and is also retained by the District for purposes of the project audit.

Grants are to be used in accordance with the provisions contained in the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 2, Division 2, Part 10, Chapter 12.5, commencing with Section 17070.10) and this Agreement.

The Grantee shall not make any change to the Project that would require a Change of Scope, without the State Allocation Board first approving the change to the Project.

Office of Public School Construction Application Number: _____

TERMS AND CONDITIONS OF GRANT

A. Definitions

Terms not defined below shall have the same meaning as set forth in SFP Regulation Section 1859.2.

"Act" means the Leroy F. Greene School Facilities Act of 1998 (Education Code, Title 1, Division 1, Part 10, Chapter 12.5, commencing with Section 17070.10).
"Agreement" means a contract to do or not to do a certain thing and refers to this Grant Agreement.
"Application" means a request pursuant to the Act to receive funding for a school project.
"Apportionment" shall have the meaning set forth in Education Code Section 17070.15(a).
"Audit report" means the annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
"Board" means the State Allocation Board as established by Section 15490 of the Government Code.
"Capital Outlay," for the purposes of the Grantee using Savings, pursuant to School Facility Program Regulation Section 1859.103, means capital assets in accordance with Section G of this Agreement.
"Change of Scope" means the addition or deletion of any work that would change the approved Grant amount for the Project or require updated state agency approval(s). This includes, but is not limited to, changes to site acquisition acres, or buildings, including but not limited to classrooms, multipurpose rooms, gymnasiums, administration buildings, restrooms, and libraries/media centers, and any changes to the size of those buildings, the type of building (e.g. portable, modular, or permanent),or the location on the school site of those buildings.
"Charter School Agreements" mean a memorandum of understanding, a funding agreement, and a use agreement as established by the California School Finance Authority.
"Classroom" means a teaching station that has the same meaning as the term used in Education Code Section 17071.25(a)(1).
"Expenditure Report" means the Form SAB 50-06 *Expenditure Report* and all required supplementary documentation, including but not limited to a detailed listing of project expenditures organized by fund source and provided at an object-code-level of accounting detail, pursuant to the California School Accounting Manual, that shall include fields to identify information including, but not limited to dates, payees, warrant numbers, and the description and purpose of the expenditures as described in California Code of Regulations, Title 2, Regulation Section 1859.104.
"Financial Hardship" means State funding for all or a portion of the Grantee's matching share required by School Facility Program Regulation Section 1859.77.1 or 1859.79.
"Funding Application" means the Form SAB 50-04, *Application for Funding,* or the Form SAB 50-09, *Application for Charter School Preliminary Apportionment*, or the Form SAB 50-10, *Application for Career Technical Education Facilities Funding,* and all required supplementary documentation pursuant to the Act and California Code of Regulations, Title 2, Regulation Sections 1859.70, 1859.161 or 1859.191, as applicable.
"Fund Release Application" means the Form SAB 50-05, *Fund Release Authorization,* and all required supplementary documentation, which includes but is not limited to this Agreement, pursuant to the Act and the Regulations.

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"Grants" means all eligible program grants provided by the Board to the Grantee in this Agreement.
"Grantee" means the school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, whose representative has signed this Agreement for Grants.
"Grantee Representative" means the authorized representative of a school district (as defined in California Code of Regulations, Title 2, Regulation Section 1859.2), charter school, or joint powers authority, as applicable, who signed this Agreement for Grants.
"Hazardous Material/Waste Removal Fund" shall mean the fund established pursuant to California Code of Regulations, Title 2, Regulation Section 1859.163.3(b).
"In Escrow, Governmental Entities" means the approval and signature of instrument(s) that will convey a specified school parcel or site from the public/government entity including the federal government for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee's receipt of funding from the Board.
"In Escrow, Non-Governmental Entities" means the deposit of signed instrument(s) and/or funds with instructions with a title company or escrow agent to carry out the provisions of an agreement or contract to acquire a specified school parcel or site for a determinable sum, and for a determinable date of acquisition which may be based on the Grantee's receipt of funding from the Board.
"Ineligible Expenditure" means an expenditure of Grants not in accordance with this Agreement or the applicable laws and regulations governing the use of Grants.
"Local auditor" means an auditor hired at the Grantee's expense who conducts annual compliance reviews and fiscal reviews of the Grantee's finances, in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.
"Material Inaccuracy" means a finding of falsely certified eligibility or Funding Application related information submitted by Grantees, architects, or other design professionals that allowed the Grantee an advantage in the funding process. For penalties associated with Material Inaccuracy findings, see Education Code Section 17070.51.
"Modernization" means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 6 (commencing with Section 17073.10) and 7 (commencing with Section 17074.10).
"Most Vulnerable Category 2 Buildings" means the building meets the criteria outlined in Section 1859.82(a)(1)(C) and is one of the following building types:
C1 – Concrete Moment Frame
C1B – Reinforced Concrete Cantilever Columns with Flexible Diaphragms
C2A - Concrete Shear Wall with Flexible Diaphragms
C3A – Concrete Frame with Infill Masonry Shear Walls and Flexible Diaphragms
PC1 – Precast/Tilt-up Concrete Shear Wall with Flexible Diaphragms
PC1A – Precast/Tilt-up Concrete Shear Wall with Rigid Diaphragms
PC2 – Precast Concrete Frame without Concrete Shear Walls and with Rigid Diaphragms
URM – Unreinforced Masonry Bearing Wall with Flexible Diaphragms
RM1 – Reinforced Masonry Bearing Wall with Flexible Diaphragms
URMA – Unreinforced Masonry Bearing Wall with Rigid Diaphragms
S1B – Steel Cantilever Columns with Flexible Diaphragms
S3 – Steel Light Frame Metal Siding and/or Rod Bracing, or
M – Mixed construction containing at least one of the above structure types.

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"New Construction" means projects that are eligible for Grants based on Education Code Title 1, Division 1, Part 10, Chapter 12.5, Articles 3 (commencing with Section 17071.75), 4 (commencing with Section 17072.10), and 5 (commencing with Section 17072.20).
"Occupancy" means the point at which pupils occupy a classroom as evident by district documents such as the school board's adopted calendar, classroom attendance rosters, fire marshal approval of the classroom, etc.
"Office of Public School Construction (OPSC)" means the office within the California Department of General Services that assists the Board as necessary and administers the Act on behalf of the Director of General Services.
"Other Sources of Funds" means cash, the Grantee's matching funds, or in-kind contributions that are required or used to complete the project beyond the Grants provided by this Agreement.
"Preliminary Funding Application" means the Form SAB 50-09, *Application for Charter School Preliminary Apportionment,* and all required supplementary documentation pursuant to the Act and the Regulations.
"Project" means the purposes for which the Grantee has applied for the Grants detailed in this Agreement.
"Regulations" means the School Facility Program regulations (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 4, Group 1, Subgroup 5.5, commencing with Regulation Section 1859).
"Relocation/DTSC Fee Fund" shall mean the fund established pursuant to Regulation Section 1859.163.3, in order to set aside funding at the time Preliminary Charter School Apportionments are approved by the Board for relocation expenses and/or DTSC fees that will be provided at the Final Charter School Apportionment upon submission of actual costs.
"Savings" means Grants not used by the Grantee for the Project, pursuant to Regulation Section 1859.103, achieved by the Grantee's efficient and prudent expenditure of Grants.
"School District" shall have the meaning set forth in Education Code Sections 17070.15(m) and 17073.25.
"School Facility Program (SFP)" means the programs implemented under the Act.
"State" means the state of California.
"Unfunded List (Lack of AB 55 Loans)" means an information list of unfunded projects that was created due to the state's inability to provide interim financing from the Pooled Money Investment Account (AB 55 loans) to fund school construction project as declared in the Department of Finance Budget Letter #33 issued on December 18, 2008.
(Authority: SFP Regulation 1859.2)

B. Term of Grant Agreement

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall be the parties to this Agreement. This Agreement must be entered into by both parties prior to, and as a condition of, the release of any funding for the Project. This Agreement becomes effective on the date the Board approves the Project for placement on the Unfunded List (Lack of AB 55 Loans). This Agreement terminates once (1) all Grants and the Grantee's matching funds, including interest generated by the Grants, is expended, and when all of the Parties' obligations under this Grant Agreement are fully satisfied, or (2) if the Board rescinds the unfunded approval or apportionment , or (3) if the Grantee withdraws its Funding Application.

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C. Project Execution

1. The Board hereby awards to the Grantee a sum of money (Grants) $_____ in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of the Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement. Grants may also be expended for the purposes of a future high priority Capital Outlay project as the result of Savings, or for the purposes of reimbursement, pursuant to SFP Regulation Section 1859.90.4.

(Authority: New Construction: Education Code Sections 17072.20 and 17070.63; New Construction and Modernization: SFP Regulations Article 8 commencing with Section 1859.70; Charter School Facilities Program: Article 14 commencing with Section 1859.160; Career Technical Education Facilities Program: Article 16 commencing with Section 1859.190)

2. Prior to the release of any funding for the Project, Office of Public School Construction staff has completed the following steps to finalize the Project funding amount outlined in this Agreement, as necessary:

   i. The Funding Application was accepted on _____ (date) and deemed to meet the definition of an Approved Application. The Grantee was provided written notification of any deficiencies and given 24 hours to remedy the identified deficiency(s) in order to retain the date upon which it was received.

   ii. Upon confirmation of an Approved Application, Office of Public School Construction staff reviewed the Funding Application for compliance with School Facility Program Regulations and verified eligibility for all available program grants. The Grantee was provided written notification of all deficiencies and/or changes necessary and given 15 calendar days to respond and remedy the identified deficiencies and/or changes necessary.

   iii. Upon review of the submitted corrections, Office of Public School Construction staff provided the Grantee written notification of any final deficiencies and required a response within four business days.

   iv. Upon receipt of the final amendments to the Funding Application, the Office of Public School Construction staff and the Grantee agreed that the Project was ready for presentation to the Board for placement on the Unfunded List (Lack of AB 55 Loans).

(Authority: SFP Regulation Sections 1859.2, 1859.70, 1859.93, 1859.93.1; and Office of Public School Construction process)

3. Grantee certifies that the Project complies with all laws and regulations applicable to the Project.

(Authority: Form SAB 50-04 certifications)

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4. Grantee certifies that the Project complies with all labor and public contract laws, as applicable, including, but not limited to:

   i. Public Contract Code Section 20111.6, as added by Chapter 808, Statutes of 2012 (Assembly Bill 1565), which became effective on September 30, 2012. Beginning January 1, 2014 through December 31, 2018, new contracting requirements are effective for school districts with an average daily attendance of 2,500 or more for construction projects with estimated expenditures of at least $1,000,000 that will be funded through the SFP or any future state school bonds. These new Public Contract Code requirements require a standardized prequalification questionnaire and financial statement to be verified under oath from all bidders.

   ii. Labor Code Section 1773.3, as amended by Senate Bill 854, Chapter 28, Statutes of 2014, which requires school districts that have School Facility Program projects with an initial public works contract awarded on or after January 1, 2012, to notify the Department of Industrial Relations (DIR). The DIR must provide prevailing wage monitoring services for all such projects, except in the cases of: (1) the district operates a DIR-approved internal wage monitoring program; or (2) the district has entered into a collective bargaining agreement that includes the requirements specified in Labor Code section 1771.4(b)(2).

   iii. Chapter 378, Statutes of 2011 (Assembly Bill 436), which required the Department of Industrial Relations to monitor and enforce prevailing wage requirements for every State bond funded project, including School Facility Program projects, pursuant to Labor Code Section 1771.7 for projects in which the initial public works construction contract was awarded before January 1, 2012. The Project must have also been apportioned from either Proposition 47 or 55 and the construction phase of the Project commenced on or after April 1, 2003.

   iv. Chapter 868 Statutes of 2002 (Assembly Bill 1506), which made projects funded from either Proposition 47 (2002) or Proposition 55 (2004) with a notice to proceed date on or after April 1, 2003 subject to Labor Compliance Program requirements as outlined in Labor Code Section 1771.5.

Project Execution Signature
All laws and regulations noted in Sections (i), (ii), (iii), and (iv) above have been, and will be, followed, as applicable.
X _____ Date_____

(Authority: Form SAB 50-04 certifications)

Office of Public School Construction Application Number: _____

D. Receiving Board Approval

1. Grantee must have (1) title, (2) leasehold, or (3) other interest to Project lands. Title may include an order for pre-judgement possession issued by a court in an eminent domain proceeding.

(Authority: Education Code Section 17070.70; SFP Regulation Sections 1859.74 and 1859.74.1)

2. Grantee understands and agrees that the Grants, combined with local funds, shall be sufficient to complete the Project.

(Authority: Education Code Section 17070.63(a))

3. The Grantee has established a "Restricted Maintenance Account" for the exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Regulation Sections 1859.100 through 1859.102).

(Authority: SFP Regulation Section 1859.100 and Form SAB 50-04 certifications)

4. The Grantee has or will comply with Education Code Section 17076.11 regarding at least a three (3) percent expenditure goal for disabled veteran business enterprises.

(Authority: Form SAB 50-04 certifications)

5. The Grantee understands and agrees that (1) Grants required to be adjusted for site acquisition for both New Construction and Charter School Facilities Program projects, and (2) Grants not used by the Grantee that failed to meet substantial progress and (3) unspent Financial Hardship Grants, (4) unspent Charter School Facilities Program Grants, or (5) unspent Career Technical Education Facilities Program Grants must be returned to the state school facilities fund from which the Grants were apportioned as a result of an audit, pursuant to Education Code Section 17076.10 and Education Code Section 41024, as applicable.

6. The Grantee understands and agrees that, if it does not remit the amount of Ineligible Expenditures identified in the audit report within 120 days of being invoiced by the California Department of Education, and if no repayment plan has been approved pursuant to paragraph (d) of Section 41024 of the Education Code, then the Controller shall deduct the total amount of any Ineligible Expenditures from apportionments pursuant to paragraph (d) of Section 41024 of the Education Code. The Grantee may request a payment plan pursuant to paragraph (d) of Section 41024 of the Education Code.

7. If the Grants will be used for the construction or modernization of school facilities on leased land, the Grantee has entered into a lease agreement for the leased property that meets the requirements of School Facility Program Regulation Section 1859.22.

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8. The Grantee has established a facilities inspection system to ensure that each of its schools is maintained in good repair.

[Authority: Education Code Section 17070.75(f)]

9. The statutorily-required Grantee matching funds have either been expended by the Grantee, have been deposited by the Grantee in the county fund, or will be expended by the Grantee prior to notice of completion of the project.

(Authority: Education Code Sections 17072.30, 17074.16, 17078.72(g)(1), 17078.54(d), and 17075.10(b)(2); Form SAB 50-04 certifications)

10. The Grantee has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools.

(Authority: Education Code Section 17070.96)

11. Financial Hardship Review Process

i. If the Grantee has requested Financial Hardship Grants, the Financial Hardship approval from the Office of Public School Construction was valid (Financial Hardship approvals are valid for 180 days) on the date the Approved Funding Application was received by the Office of Public School Construction.

[Authority: SFP Regulation Section 1859.81(e)]

ii.

a) If the Grantee has requested Financial Hardship Grants and has a bridge financing debt instrument in place, or will have a bridge financing debt instrument in place in the future in order to move the Project forward until Grants become available, then the Grantee agrees that it has received, or will receive, bridge-financing approval from the Office of Public School Construction.

b) The Grantee also agrees to retire all bridge financing debt within 60 calendar days of receiving Grants. Failure to retire all bridge financing debt within 60 calendar days of receiving Grants will result in the amount of the Financial Hardship Grants in this Agreement being reduced by the amount of the bridge financing that was not retired.

iii. If the Project remained on the Unfunded List (Lack of AB 55 Loans) for more than 180 days, the Grantee understands and agrees that the Office of Public School Construction shall conduct a review to determine if the Grantee has additional funds available to contribute to the Grantee's matching funds.

[Authority: SFP Regulation Section 1859.81(e) and (f)]

iv. If the additional Office of Public School Construction review, pursuant to Section (iii) above, determined that the amount of the Financial Hardship Grant required an adjustment, pursuant to Financial Hardship rules detailed in SFP Regulation Section 1859.81, the amount of the Grants detailed in this Agreement will be amended.

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[Authority: SFP Regulation Section 1859.81(a)]

12. [Instructions: The following sections only apply to the program, or other circumstance, that is detailed in this Agreement.]

New Construction:

i. The Grantee has received approval of the site and the plans from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment.

(Authority: SFP Regulation Section 1859.81.1)

ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Seismic Mitigation Program Replacement or Facility Hardship Replacement:
The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the _____ (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____ _____ (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat.

The Project must have concurrence by an appropriate governmental agency agreeing with the _____ _____ (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the “Most Vulnerable Category 2 Buildings”.

Site Acquisition: The Grantee has complied with Sections 1859.74 through 1859.75.1, as appropriate. The Grantee shall provide all applicable county assessor parcel numbers for the land being acquired for the Project. Grantee understands and agrees that Grants for site acquisition (i.e. site purchase, hazardous materials mitigation, relocation, etc.) as described in Section F (Accounting for Spent Funds) of this Agreement are limited to actual eligible expenditures. Therefore, the audit report may result in an adjustment (increase or decrease) to the Grant amount based on the final approved expenditures related to site acquisition separate and apart from all other Grants.

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Modernization of Portable Classrooms: If this Agreement includes the modernization of portable classrooms eligible for an additional Apportionment pursuant to Education Code Section 17073.15, the Grantee certifies that either:

i. The Grants will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,

ii. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional Apportionment is better use of public resources than the replacement of these facilities.

(Authority: SFP Regulation Section 1859.78.8)

Modernization or Charter School Facilities Program Rehabilitation: If this Agreement includes the modernization or Charter School Facilities Program Rehabilitation funding, the Grantee has received approval of the plans for the project from the California Department of Education and the Division of the State Architect. Plan approval is not required if request is for separate design Apportionment or advance release of funds for design from a Preliminary Charter School Apportionment.

(Authority: Modernization: SFP Regulation Section 1859.81.1; Charter: SFP Regulation Section 1859.163)

Seismic Mitigation Program Rehabilitation or Facility Hardship Rehabilitation:
The Grantee agrees that the scope of this Project is the minimum work necessary to obtain approval by the Division of the State Architect and/or the federal, state, or local governmental entity with authority over of the work being performed to mitigate the _____ (health and safety or seismic) threat.

The Project must have an industry specialist report to substantiate the _____ (health and safety or seismic) threat and that details the minimum work necessary to mitigate the threat..

The Project must have concurrence by an appropriate governmental agency agreeing with the _____ (health and safety or seismic) threat and the minimum work necessary to mitigate the threat.

The Project must have the approval letter from DSA verifying that the building(s) in the Project qualify as one of the “Most Vulnerable Category 2 Buildings”.

The Project must have the approval letter from DSA indicating that the work in the project plans is the minimum work required to mitigate the _____ (health and safety or seismic) threat, which includes any other work triggered by the

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_____
(health and safety or seismic) mitigation work and that is required in order to obtain DSA approval.

Charter:

i. Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program funds meet the requirements of Regulation Section 1859.163.

ii. The Grantee agrees to submit Project Information Worksheets pursuant to School Facility Program Regulation Section 1859.104.

Charter- Preliminary Charter School Apportionment:

i. The Grantee agrees that failure to submit a Final Charter School Apportionment within the timelines prescribed for a Preliminary Charter School Apportionment (four years with a possible one year extension subject to Board approval) shall be cause for rescission of the Preliminary Charter School Apportionment; and,
(Authority: SFP Regulation Section 1859.166)

ii. The Grantee agrees that when the Preliminary Charter School Apportionment is converted to a Final Charter School Apportionment, the funding available for the Final Charter School Apportionment is subject to the provisions of Section 1859.167; and,
(Authority: SFP Regulation Section 1859.167)

iii. The Grantee agrees that the California School Finance Authority must determine that the Grantee is financially sound at the time of the Preliminary Charter School Apportionment, advance release of design and/or site funds, and at the time of conversion to a Final Charter School Apportionment or the Preliminary Charter School Apportionment will be rescinded; and,
(Authority: SFP Regulation Section 1859.163)

iv. The Grantee agrees that in addition to this grant agreement, the Grantee must also enter into the Charter School Agreements.
(Authority: SFP Regulation Section 1859.90.2)

Career Technical Education Facilities Program:

The Grantee has complied with the Career Technical Education Facilities Program (CTEFP) eligibility criteria as outlined in Section 1859.192; and,.

For Projects that received an Apportionment pursuant to SFP Regulation Section 1859.193(d) (CTEFP reservation of funds):

i. The Grantee understands and agrees that by reserving funds in advance of obtaining the necessary approvals from California Department of Education and the Division of the State Architect, the Grantee must submit the necessary

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approvals and/or plans and specifications within one year of Apportionment; otherwise the Apportionment will be rescinded without further Board action.

ii. Upon approval for placement on the Unfunded List (Lack of AB 55 Loans), the Grantee will receive a template of the Project Grant Agreement. OPSC will provide the Grantee the final Grant Agreement for the Project upon receipt of the necessary approvals from the Division of the State Architect and California Department of Education

ii. The Grantee understands and agrees that the executed the Grant Agreement must be submitted prior to fund release.

(Authority: SFP Regulation Section 1859.197)

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E. Receiving an Apportionment and Receiving Funds

The Grantee and the Executive Officer, or designee, of the Office of Public School Construction shall enter into this Agreement prior to, and as a condition of, the release of any funding for the Project.
(Authority: proposed SFP Regulation Sections 1859.90 and 1859.90.2)

Additionally:

1. The Grantee understands and agrees that, pursuant to School Facility Program Regulation Sections 1859.90.2 and 1859.90.3:
   i. The Grantee shall participate in the priority funding process by submitting a valid priority funding request during a 30-day filing period after being placed on the Unfunded List (Lack of AB 55 Loans) in order to receive an Apportionment in accordance with Regulation Section 1859.90.3.
   ii. Failure to submit a valid request within the filing period or failure to submit a valid *Fund Release Authorization* (Form SAB 50-05) after the Board approves an Apportionment shall result in an occurrence of non-participation.
   iii. The Grantee understands and agrees that Grants may not be available for this Project after the Grantee has submitted a valid priority funding request. When the Grantee submits a valid priority funding request and Grants are not available, the Grantee shall not be charged with an occurrence of non-participation.
   .
   iv. After the second occurrence of non-participation, the funding for the Project shall be rescinded without further action by the Board.

2. Any Grants provided to Grantee under this Agreement will be disbursed upon receipt of a complete Fund Release Application, and shall not exceed $_____ except for _____.
   (site-related exceptions)
(Authority: Education Code Sections 17072.13, 17072.14, and 17072.18)

3. Supplementary documentation submitted with, or prior to, a Fund Release Application must include this Agreement as well as documentation that proves the following:
   i. The Grantee has entered into a binding contract(s) for at least 50 percent of the construction included in the plans and specification applicable to this Project.
   ii. Notice to Proceed dates.
   iii. For Career Tech projects where the Grantee received an Apportionment without needing Division of State Architect approval, evidence of Division of the State Architect approval date.
   (Authority: Form SAB 50-05 certifications)

4. If the Office of Public School Construction finds that the Fund Release Application is incomplete, inadequate or inaccurate, it will notify the Grantee that the Grantee has ten (10) business days to address the issue(s). If the issue(s) has not been addressed after ten (10) business days, the Office of Public School Construction will consider the submittal to be

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invalid and the request will be returned to the Grantee. The Grantee will retain the opportunity to submit a valid Fund Release Application within 90 days of Apportionment. However, if the Grantee does not submit a valid Fund Release Application within 90 days of the Apportionment the Grantee will receive a non-participation occurrence as described in (1.)(ii) above. The Grantee will not receive Grants at that time. Furthermore, any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.

(Authority: proposed amendment to School Facility Program Regulations)

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F. Accounting for Spent Funds

1. For purposes of completing the Expenditure Reports required pursuant to Education Code Section 17076.10, over the course of the project, the Grantee shall maintain a general ledger at a Project-specific level that includes fund, resource, project year, goal, function, and object codes for all expenditures for the Project, including furniture and equipment, as they are described in the *California School Accounting Manual, Procedure 301: Overview of the Standardized Accounting Code Structure and Procedure 345: Illustrations Using Account Code Structure*.

(Authority: Education Code Section 17076.10)

2. Annual Expenditure Reports
   Pursuant to Education Code 17076.10, beginning 12 months from the first fund release, and continuing annually for a period of up to _____ years after the final fund release, as described in SFP Regulation Section 1859.104, the Grantee shall submit an Expenditure Report to the Office of Public School Construction.

3. Substantial Progress Compliance Reviews

   i. Pursuant to Education Code Section 17076.10, the Grantee shall be subject to a substantial progress review by the Office of Public School Construction under this Agreement with respect to all matters connected with this Agreement. The Grantee shall provide substantial progress documentation 18 months from the latest fund release. The Office of Public School Construction will consider the requirements of substantial progress met if the Grantee submits its Expenditure Report for a completed project up to 18 months from the latest fund release. The Office of Public School Construction must notify the Grantee within 60 days of receiving the documentation if a review and analysis of the information will be conducted.

   (Authority: SFP Regulation Section 1859.105)

   ii. For Grantees That Have Received Grants for Construction:
   The substantial progress documentation required shall include evidence that either 75 percent of the site development work is complete, or 90 percent of the building work is under contract, or 50 percent of all construction activities are complete.

   (Authority: School Facility Program Regulation Section 1859.105)

   The documentation that the Grantee shall provide shall include, but is not limited to:
   a) The fund source indicated, for each project cost,
   b) Assessor's parcel number, for site acquisition costs,
   c) Qualification Appraisal(s) for Architect/Engineer/Construction Manager,
   d) Architect/Engineer/Construction Management Agreement(s),
   e) Evidence the Grantee has met Disabled Veteran Business Enterprise contractual requirements,
   f) Construction Contract Agreements to date,
   g) Construction Bid Summaries,
   h) Construction Delivery Method,

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i) Project expenditures, to date, submitted on Detailed Listing of Project Expenditures (DLOPE) worksheet or in an equivalent format [the Office of Public School Construction will review expenditure totals for purposes of determining compliance with substantial progress requirements but will not review expenditures to determine eligibility under the program (this will be done by the local auditor)],
j) General ledger report that details project expenditures to date
k) Submittal of written policy and procedures that documents processes for accounting of School Facility Program project activities.
l) Construction schedule of values or Continuation Sheet
m) Project cost estimate

(Authority: Education Code Section 17071.10 and SFP Regulation Section 1859.105)

iii. For Grantees That Have Received Advanced Financial Hardship Site Grants or Environmental Hardship Grants:
The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:
a) The final site appraisal,
b) The California Department of Education final approval letter, evidence of the completion of any and all California Environmental Quality Act requirements
c) Final escrow instructions or evidence the Grantee has filed condemnation proceedings including intent to request an order of possession of the site, as applicable.

(Authority: SFP Regulation Section 1859.105 or 1859.105.1, as applicable)

iv. For Grantees That Have Received Advanced Financial Hardship Grants for Design:
The documentation that the Grantee shall provide if requested by the Office of Public School Construction shall include, but is not limited to:
a) An Approved New Construction or Modernization Adjusted Grant Application; or,
b) A certification that the final building plans have been submitted to and accepted by the Division of the State Architect for review and approval.

(Authority: SFP Regulation Section 1859.105)

v.
a) Should the Office of Public School Construction determine that the Grantee has not made substantial progress as described in (F)(3)(i), (ii), (iii), and (iv), it will inform the Grantee of its findings and require the Grantee to submit a final expenditure report within 60 days of notification, pursuant to SFP Regulation Section 1859.105. If no Grants have been expended by the Grantee, then the Office of Public School Construction will recommend to the Board that the project be rescinded.
b) If Grants have been expended by the Grantee, then
I. The Project shall be subject to an audit pursuant to Section 41024 of the Education Code and the applicable provisions outlined in Section (F)(4) of this Agreement. The audit shall identify Grants expended in accordance

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with program requirements and the amount of any unspent Grants and the amount of any Ineligible Expenditures.

II. Once the amount of unspent Grants has been determined in the audit report described in (i) to be repaid and the Grantee repays the Grants, the Office of Public School Construction shall take an item to the State Allocation Board make a corresponding baseline eligibility adjustment, when applicable.

(Authority: SFP Regulation Section 1859.105)

4. Final Project Audit

The Grantee understands and agrees to the following:

i. Upon Project completion pursuant to SFP Regulation Section 1859.104, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office that the Grantee is subject to an audit of the Project by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide Project documentation, if requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

ii. Project documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:

a) Proof of acreage purchased
b) Proof of site costs and adjusted site grants, where applicable
c) Copy of Form SAB 50-04
d) Copy of SAB Board item(s) (Approval of project Apportionment)
e) DSA Approval Letter
f) Final CDE Approval Letter
g) Architect Final Billing
h) Proof of Routine Restricted Maintenance Account Deposit or documentation demonstrating district's facilities are maintained in good repair
i) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), for all sources of funding
j) Final construction billing and invoices,
k) Any and all change orders
l) Proof of date of Occupancy
m) If the Grantee's matching funds have already been expended for this Project or have been deposited in the County School Facility Fund, the Grantee shall provide accounting records, such as a general ledger, for all sources of funding, verifying those previous expenditures or deposits. If the matching funds have been or will be spent from a Certificate of Participation (COP), then the Grantee

shall indicate the fund that the proceeds from the COP were originally deposited into or will be deposited into. The Grantee shall also include a copy of the COP booklet. Providing the official notice of intent to sell bonds may be provided to prove that the Grantee will expend the Grants prior to the time the project is completed, as described complete pursuant to SFP Regulation Section 1859.104. If the Grantee has funds from another source not listed here, the Grantee shall provide the accounting records, such as a general ledger verifying the expenditures and deposits.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

iii. During the local auditor's audit and/or upon completion of the audit report, the Grantee understands and agrees that its Expenditure Report is final and may not be subsequently adjusted or amended.

iv. The Grantee understands and agrees that:
(a) Should the audit report determine that the Grantee spent Grants on Ineligible Expenditures, the local auditor will inform the California Department of Education of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the proportionate percentage of Grants and Financial Hardship Grants. Grantees will not be required to provide the state with payments related to the amount of their matching funds. Ineligible Expenditures funded by Grants will not be considered Savings.
(b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
(c) The California Department of Education will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
(d) The Grantee may request a repayment plan from the California Department of Education related to the recovery of Grants described in (c).
(e) In order to recover funds as part of a repayment plan described in (d), the California Department of Education will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

vi. The Grantee shall provide its Expenditure Report for a Project deemed complete pursuant to SFP Regulation Section 1859.104, and any and all audit reports, including the audits of Savings, to the Office of Public School Construction.

(Authority: Education Code Section 17076.10)

vii. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with the Board-approved project scope, including a final inspection for a Project deemed complete pursuant to SFP Regulation Section 1859.104.

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(Authority: Education Code Section 17076.10)

5. Savings Audit(s)

Grantees may retain Savings for expenditure for other high priority Capital Outlay with the exception of when Savings are generated:
(1) in the Charter School Facilities Program, or
(2) in the Career Technical education Facilities Program, or
(3) in advance of a site adjustment, or
(4) for Financial Hardship Grants.
(Authority: Education Code Section 17070.63 and SFP Regulation Section 1859.103)

If the Grantee uses Savings to contribute to the Grantee's matching share on other SFP projects, then those SFP projects may only be funded from the same program (e.g. New Construction, Modernization), that this Project is funded from.
(Authority: SFP Regulation Section 1859.103)

The Grantee understands and agrees to the following:

i. Upon the Grantee declaring Savings pursuant to SFP Regulation Section 1859.103, the Office of Public School Construction may notify the Grantee, the Grantee's County Office of Education, and the State Controller's Office, that the Grantee is subject to annual audits of the Savings by a local auditor that is in accordance with the Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting until the Grantee has expended all Savings. The Grantee shall retain all financial accounts, documents, and records necessary for an audit pursuant to Education Code Section 41024(a)(4) and shall provide documentation related to the use of Savings, when requested by the local auditor.

[Authority: proposed amendment to School Facility Program Regulation Section 1859.104(a)]

ii. Savings documentation that the Grantee shall provide when requested by the local auditor, for the purposes of the audits described in Education Code Section 41024, shall include, but is not limited to:
   a) The Grantee's final expenditure report submitted to the Office of Public School Construction, and
   b) Project-specific accounting records, such as a general ledger, as described in Spending Funds (Section F, paragraph 1), and
   c) General ledger report verifying that the Savings has been deposited to county school facilities fund and detail verifying the expenditure of the funds for high priority Capital Outlay, and
   d) Construction billing and related invoices.

(Authority: Education Code Section 17076.10 and SFP Regulation Section 1859.106)

iii. The Grantee understands and agrees that its Savings expenditure reports submitted to the local auditor are final and may not be subsequently adjusted or amended.

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iv. The Grantee understands and agrees that:
(a) Should the audit report determine that the Grantee spent Savings on Ineligible Expenditures, the local auditor will inform the California Department of Education of the amount of the Ineligible Expenditure. The amount to be remitted will be limited to the Savings. Grantees will not be required to provide the state with payments related to the amount of their matching funds.
(b) The Grantee may appeal the finding of any Ineligible Expenditures, as described in Education Code Section 41024(d).
(c) The California Department of Education will recover Grants spent on Ineligible Expenditures, pursuant to Education Code Section 41024(d)(1).
(d) The Grantee may request a repayment plan from the California Department of Education related to the recovery of Grants described in (c).
(e) In order to recover funds as part of a repayment plan described in (d), the California Department of Education will notify the State Controller of the repayment plan and the State Controller will withhold funds from the Grantee's principal apportionment or Education Protection Account payments, pursuant to Education Code Section 41024(d).

(Authority: Education Code Sections 17070.63(c), 17076.10, and 41024; SFP Regulation Section 1859.106)

v. The Grantee shall provide its Savings expenditure reports, and any and all audit reports, to the Office of Public School Construction, pursuant to Education Code Section 17076.10.

vi. The Grantee shall also provide site access to the local auditor to determine if the project work is in accordance with eligible uses of Savings.

(Authority: Education Code Section 17076.10)

6. Site Adjustments
Should the audit report determine that the amount of Grants received for site acquisition requires adjustment, then, upon receipt of the audit, the Office of Public School Construction will present the Project to the State Allocation Board for an adjustment to the Apportionment, in accordance with Education Code Section 41024 (c)(2).

7. Charter School Facilities Program and Career Technical Education Facilities Program Unspent Grants, plus Interest

Should the audit report determine that the Grantee completed either the Charter Schools Facilities Program Project or the Career Technical Education Facilities Program Project without using all the Grants provided for eligible expenditures, the Office of Public School Construction will present the Project to the State Allocation Board for an adjustment to the Apportionment, in accordance with Education Code Section 41024 (c)(2).

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8. Financial Hardship
   Should the audit report determine that there are unspent Financial Hardship Grants, then the Grantee agrees to either (1) repay the unspent Financial Hardship Grants pursuant to Education Code Section 41024(c)(2) or (2) use the unspent Financial Hardship Grants on a future project(s), provided the Grantee qualifies for Financial Hardship Grants when it applies for funding for the future project(s).
   i. Upon receipt of the audit report, the Office of Public School Construction will notify the Grantee to determine whether the Grantee will repay the unspent Financial Hardship Grants immediately or use them for a future project(s). The Grantee will have 30 days to respond to the request.
   ii. If the Grantee intends to use unspent Financial Hardship Grants on a future project(s), it must do so within three years of the audit report's determination that not all Financial Hardship Grants were expended for this Project or from the date that Savings was declared by the Grantee, whichever comes first. Failure to use unspent Financial Hardship Grants on a future project(s) within that time will result in the Grantee repaying the unspent amount plus interest.

   (Authority: Education Code Section 41024 and SFP Regulation Section 1859.81)

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G. Advisory Listing Detailing Common Eligible Project Expenditures

Project expenditures not listed in this document will not be considered eligible for funding under the School Facility Program.*

Project expenditures will only be considered eligible if:

- The expenditures are within the Project scope that was approved by the State Allocation Board
- The expenditures are substantiated with contracts, invoices, final billings, and verification of payment
  (Authority: Education Code Section 41024)
- The expenditures are expended or encumbered prior to the time a project is deemed complete, pursuant to SFP Regulation Section 1859.104
  (Authority: Education Code Section 17076.10)

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

*Project expenditures not listed in the following tables may be considered if those expenditures are reasonable and appropriate site development work pursuant to SFP Regulation Section 1859.76.
(Authority: SFP Regulation Section 1859.76)

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1. New Construction - Separate Apportionment for Design Costs Or Adjusted Grant
Charter Schools Facilities Program - Separate Apportionment for Design Costs Or Adjusted Grant
Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35
g.	Energy Analysis Fee	Ed. Code Section 17072.35*
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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2. New Construction - Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program - Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual site cost.	Ed. Code Sections 17072.12, 17072.35 & SFP Reg. Section 1859.74
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Reg. Sections 1859.74, 1859.74(2) or 1859.74(3), as appropriate
c.	Escrow Fees	
d.	Legal Fees associated with: • The review of site acquisition documents • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements.	
e.	Litigation costs not to exceed the total SFP project funding Apportionment.	
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
	DTSC Fees	

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	Type of Expenditure	Authority
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35
	Hazardous Waste Removal	
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Pla • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	
	Relocation Assistance	
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250	Ed. Code Sections 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000

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	Type of Expenditure	Authority
	Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed $25,500 • Business • Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site. When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover. • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment :in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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3. New Construction - Adjusted Grant
Charter Schools Facilities Program - Adjusted Grant
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35*
d.	Construction Tests	Ed. Code Section 17072.35
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of	PCC Section 201114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	
g.**	General Site Development within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	SFP Reg. Section 1859.76(d)
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35
i.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	SFP Reg. Section 1859.76(b)
j.**	Service Site Development costs within school	SFP Reg. Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	1859.76(a)
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric • Communication systems	SFP Reg. Section 1859.76(c)
l.	Furniture and Equipment that meet all of the criteria as described in Government Code Section 16727 and the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than two years. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs.	Ed. Code Section 17072.35 & CSAM Procedure 770

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	It exceeds the minimum dollar value of capitalization threshold established by the local educational agency, but in no case should the threshold be less than $5,000. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students	
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17072.35
n.	Demolition Costs	Ed. Code Section 17072.35
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35*

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.
**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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4. Modernization - Separate Apportionment for Design Costs Or Adjusted Grant Common Eligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25*
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25
g.	Energy Analysis Fee	Ed Code Section 17074.25*
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

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5. Modernization - Adjusted Grant
Common Eligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical • Shade Structures • Solar or Alternative Energy Source Components	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25*
d.	Construction Tests	Ed Code Section 17074.25
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade.	PCC Section 20114

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	To be eligible must be supported by time cards or time logs.	
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25
h.**	Utility Services – Only if approved for fifty years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Section 1859.78.7
i.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • Not operational or administrative costs. It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students	Ed Code Section 17074.25 & CSAM Procedure 770
j.	Furniture and Equipment: • Desks	Ed Code Section 17074.25

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Chairs • Built-in Storage • Cabinets • White/Chalk Boards • Library Books	
k.	Demolition Costs – the cost must be attributable to replacement of "like kind" building area (see SFP Regulation Section 1859.79.2(a)).	Ed Code Section 17074.25
l.	Interim Housing	Ed Code Section 17074.25*
m.	Removal of hazardous waste from a modernization project the DTSC has declared unsafe which does not exceed ten percent of the total modernization Apportionment.	SFP Reg. Section 1859.74.2(c)

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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6. Career Technical Education Facilities Program - New Construction Common Eligible Project Expenditures

To be considered eligible, a cost must be part of the detailed project cost estimate approved by Office of Public School Construction.

PLANNING COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)
j.	Preliminary Site Tests	

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ENGINEERING COSTS		
Type of Expenditure		Authority
k.	Engineering Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(a)&(b)

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
l.	Construction Management Fees	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	
o.	Construction Tests	
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(a)(4) & (b)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a)
r.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or	PCC Section 20114

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	time logs.	
s.**	General Site Development *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	Ed Code Section 17078.72 & SFP Reg. Section 1859.193(a)&(b)
t.	Inspections	
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	
v.**	Service Site Development *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading	SFP Reg. Section 1859.193(a)&(b)(3)

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	• Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by a Career Technical Education Facilities Program project *(Not allowed as part of Career Technical Educational Facilities Project included in a New Construction Grant)* (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric • Communication systems	SFP Reg. Section 1859.193(a)&(b)(4)
x.	Equipment expenditures for Career Technical Education Facilities Program projects – as approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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7. Career Technical Education Facilities Program - Modernization Common Eligible Project Expenditures

To be considered eligible, a cost must be part of the detailed project cost estimate approved by the Office of Public School Construction.

	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
b.	Architect's Fee for Plans	
c.	CDE Plan Check Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
e.	Consultant Fees – specific to SFP project (prorate if necessary)	
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
g.	Energy Analysis Fee	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
j.	Preliminary Site Tests	
k.	Engineering Fees	
l.	Construction Management Fees	
m.	Building Construction Costs	
n.	Construction Security (Campus Security not eligible and administrative overhead – not eligible)	Ed Code Section 17078.72(a) & SFP Reg. Section

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	Type of Expenditure	Authority
		1859.193(c)
o.	Construction Tests	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
p.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.193(c)(5)
q.	Energy Conservation Costs	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
r.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114
s.**	General Site Development within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)

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	Type of Expenditure	Authority
	• Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	
t.	Inspections	Ed Code Section 17078.72(a) & SFP Reg. Section 1859.193(c)
u.**	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	
v.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	
w.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site – Prorated, if necessary for any excess capacity not needed by Career Technical Education Facilities Program	SFP Reg. Section 1859.193(c)(4)

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	Type of Expenditure	Authority
	project (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric • Communication systems	
x.	Equipment expenditures for Career Technical Education Facilities Program projects – Equipment must have been approved by the California Department of Education (CDE). The CDE approved equipment list must be submitted with the application for funding and later approved by the SAB. Equipment must also have an average life expectancy of at least 10 years.	Approved by CDE & Ed Code Section 17078.72(a)

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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8. Facility Hardship (Non-Seismic) - Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers.	

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DESIGN COSTS		
	Type of Expenditure	Authority
	• The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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9. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	CDE Site Review Costs	
e.	Legal Fees associated with: • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements.	
f.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
g.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
h.	Survey Costs	
	DTSC Fees	
i.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
	Hazardous Waste Removal	
j.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
k.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	

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	Type of Expenditure	Authority
	Relocation Assistance	
I.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000. This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250 Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed $25,500 • Business Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the	Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82

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	Type of Expenditure	Authority
	property, or installation of property at the replacement site When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover. • Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment :in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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10. Facility Hardship (Non-Seismic) - Replacement
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82
f.	Force Account Labor – complies with the Public	PCC Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	201114 & SFP Reg. Section 1859.82
g.**	General Site Development within school property lines (Including but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	SFP Reg. Section 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
i.**	Off-Site Development costs on up to two	SFP Reg. Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	1859.76(b) & 1859.82
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	SFP Reg. Section 1859.76(a) & 1859.82
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric	SFP Reg. Section 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Communication systems	
l.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP Reg. Section

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.82
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

Office of Public School Construction Application Number: _____

11. Facility Hardship (Non-Seismic) - Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Regulation Sections 1859.105 &1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors,	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: _____

12. Facility Hardship (Non-Seismic) - Rehabilitation
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering	PCC Section 20114 & SFP

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Interim Housing	Ed Code Section 17074.25* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

Office of Public School Construction Application Number: _____

13. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Section 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
g.	Energy Analysis Fee	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors,	

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DESIGN COSTS		
	Type of Expenditure	Authority
	architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

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14. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006

	Type of Expenditure	Authority
	Site Acquisition	
a.	Purchase Price of Property – provided site was not previously funded under Lease-Purchase Program or School Facility Program. Eligible purchase expenditure is the lesser of the appraised value (submitted within six months of a complete Form SAB 50-04) or actual purchase price.	Ed. Code Section 17072.12, 17072.35 & SFP Reg. Sections 1859.74 & 1859.82
	Site (Other) (4 % Allowance)	
b.	Appraisal Fees	Ed. Code Section 17072.35 & SFP Sections 1859.74, 1859.74(2), or 1859.74(3), as appropriate & 1859.82
c.	Escrow Fees	
d.	Legal Fees associated with: • The review of site acquisition documents. • Site condemnation or relocation proceedings. • The review of the SFP project-related lease agreements.	
e.	Litigation costs not to exceed the total SFP project funding apportionment.	

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	Type of Expenditure	Authority
f.	Preparation of POESA and PEA when required by the Department of Toxic Substances Control.	
g.	Survey Costs	
	DTSC Fees	
h.	DTSC Phase One Environmental Site Assessment (POESA) fees, Preliminary Environmental/ Endangerment Assessment (PEA) fees, and Response Action costs paid to the Department of Toxic Substances Control.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
	Hazardous Waste Removal	
i.	CEQA expenditures as long as they are not for services rendered by district personnel.	Ed. Code Sections 17072.13 & 17072.35 & SFP Reg. Section 1859.82
j.	Hazardous waste removal costs - only when associated with a Department of Toxic Substances Control issued determination of a need for a Remedial Action Plan, Removal Action Work Plan or Supplemental Site Investigation Plan to address necessary cleanup. Including: • Expenses for Remedial Action Plan and/or Removal Action Work Plan if acted upon. • Expenses for public participation if Remedial Action Plan and/or Removal Action Work Plan acted upon. • Expenses for Supplemental Site Investigation with a Remedial Action Plan and/or Removal Action Work Plan • Expenses for Voluntary Cleanup Agreement and/or School Cleanup Agreement	

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	Type of Expenditure	Authority
	Relocation Assistance	
k.	Relocation Assistance – as long as expenditures conform to Title 25, CCR, Section 6000 . This includes expenditures for the following: • Residential Tenant Occupant Moving expenses Rental Assistance – payment not to exceed $5,250 Last Resort Housing • Residential Owner Occupant Moving expenses Replacement Housing – Not to exceed $25,500 • Business Moving expenses – In addition, a displaced business owner may file a claim for the following: The cost directly related to modifying machinery, equipment, or other personal property to adopt it to the new site. The cost of any license, permit, or certification to reestablish a business at a new location The reasonable cost of any professional services necessary for planning the move, moving the property, or installation of property at the replacement site When an item is not moved but replaced with a comparable item, reimbursement shall be the lessor of replacement cost or estimated cost of moving by professional mover.	Ed. Code Section(s) 17072.13, 17072.35 & CA Code of Reg., Title 25, Section 6000 & SFP Reg. Section 1859.82

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	Type of Expenditure	Authority
	• Losses of Tangible Personal Property • Searching for a Replacement Site • Re-establishment Expenses • In Lieu Payments - Any displaced person who moves or discontinues their business may elect to receive a fixed relocation payment: in lieu" of moving, losses of tangible property, searching, and reestablishment costs.	

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15. Facility Hardship (Seismic) – Replacement
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security and administrative overhead – not eligible)	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b); SFP Reg. Sections 1859.79.2 &

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
		1859.82
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 201114 & SFP Reg. Section 1859.82
g.**	General Site Development within school property lines (including, but not limited to): • Finish Grading • Roads and Driveways • Sidewalks, stairs, & Ramps • Parking Area • Curbs and Gutters • Turfed/Paved Play Area • Playground Equipment • Surface Drains & Play Area • V-Gutters at Parking Lot • Landscaping & Irrigation System • Site Lighting • Fencing & Outdoor Walls	SFP Reg. Sections 1859.76(d) & 1859.82
h.	Inspections – For services provided during construction of project.	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
i.	Off-Site Development costs on up to two immediately adjacent sides of the site (see SFP Regulation Section 1859.76(b) for detail). Including: • Curbs & Gutters • Sidewalks • Street Light, Planting Areas, Street Signs, • Traffic Signals, Etc., Mandated by Local Ordinances • Special District Fees • Storm Drains to Point of Connection • Safety Paths	SFP Reg. Sections 1859.76(b) & 1859.82
j.**	Service Site Development costs within school property lines (see SFP Regulation Section 1859.76(a) for detail). Including: • Site Clearance • Demolition • Rerouting Utility Lines • Rough Grading • Soil Compaction • Storm Drains • Erosion Control • Outside Stairs & Retaining Walls • Relocation of Existing Portables • Fire Code Requirements • Multi-Level Parking	SFP Reg. Sections 1859.76(a) & 1859.82
k.**	Utility Service costs associated with the CDE approved site size that are necessary to serve the master planned capacity of the site (see SFP Regulation Section 1859.76(c) for more information) as follows: • Water • Sewage • Gas • Electric	SFP Reg. Sections 1859.76(c) & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
	• Communication systems	
l.	Furniture and Equipment that meet all of the criteria as described in the California School Accounting Manual (CSAM), Procedure 770 as follows: • Lasts more than one year. • It is typically repaired rather than replaced. • It is an independent unit (rather than being incorporated into another unit item). • The cost of tagging and inventory is a small percentage of the item cost. • It exceeds the minimum dollar value of capitalization threshold established by the local educational agency. The following types of furniture and equipment are examples that would be eligible if they met the criteria for CSAM Procedure 770: • Projectors • Smart Boards • Freezers • Refrigerators • Stoves • Exercise equipment – Only if available for use by all students	Ed. Code Section 17072.35 & CSAM Procedure 770 & SFP Reg. Section 1859.82
m.	Furniture and Equipment: • Desks • Chairs • Built-in Storage • Cabinets • Window Coverings • White/Chalk Boards • Library Books	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82
n.	Demolition Costs	Ed. Code Section 17072.35 & SFP Reg. Section 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
o.	Interim Housing – only eligible if new construction additions are to an existing site where classrooms temporarily are inaccessible or unsafe to house students during construction.	Ed. Code Section 17072.35* & SFP Reg. Section 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17072.35, and may be included as allowable expenditures under the New Construction program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

Office of Public School Construction Application Number: _____

16. Facility Hardship (Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Advertising for Construction Bids	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Architect's Fee for Plans	
c.	CDE Plan Check or Site Review Fee	
d.	California Environmental Quality Act (CEQA) Associated Costs	SFP Reg. Sections 1859.105 & 1859.82
e.	Consultant Fees – specific to SFP project(s) (prorate if necessary)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
f.	Division of the State Architect (DSA) Plan Check Fee	Ed Code Section 17074.25 & SFP Reg. Section 1859.82

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DESIGN COSTS		
	Type of Expenditure	Authority
g.	Energy Analysis Fee	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
h.	Legal Fees associated with: • The review of the SFP project-related lease agreements. • The review of the SFP project-related contracts between districts and contractors, architects, construction managers or engineers. • The review of the SFP project-related bid documents and bid responses.	
i.	Local Agency Plan Check Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
j.	Preliminary Site Tests	
k.	Engineering Fees	

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

Office of Public School Construction Application Number: _____

17. Facility Hardship (Seismic) – Rehabilitation
Adjusted Grant
Common Eligible Project Expenditures

Facility Hardship expenditures must be an eligible SFP expenditure to be considered allowable.

Only the minimum work necessary as indicated in the project's industry specialist report, to mitigate the health and safety issue is eligible. This also includes any other work triggered by the health and safety mitigation work that is required in order to obtain DSA approval, such as required fire and life safety or access compliance work.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract must be executed on or after May 20, 2006.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Construction Management Fees	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Building Construction Costs – Including: • Foundations • Structures • Exterior & Interior Finishes • Fittings & Fixtures • Plumbing • Electrical • Mechanical	
c.	Construction Security (Campus Security not eligible and administrative overhead not eligible)	Ed Code Section 17074.25* & SFP Reg. Section 1859.82
d.	Construction Tests	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
e.	Costs incurred to initiate, enforce and maintain a LCP, which may include school district "third party providers" costs, district's own Force Account labor costs, or construction manager costs.	Labor Code Section 1771.1(a) & (b) & SFP Reg. Section 1859.79.2 & 1859.82

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CONSTRUCTION COSTS		
	Type of Expenditure	Authority
f.	Force Account Labor – complies with the Public Contract Code and is specific to the project, adhering to the following criteria outlined in Section 20114: • For school districts with an average daily attendance less than 35,000, the total number of hours on the job does not exceed 350 hours • For school districts with an average daily attendance of 35,000 or greater, the total number of hours on the job does not exceed 750 hours or when the cost of material does not exceed $21,000. • Must be work that involves a skilled trade. To be eligible must be supported by time cards or time logs.	PCC Section 20114 & SFP Reg. Section 1859.82
g.	Inspections – For services provided during construction of the project.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.**	Utility Services – Only if approved for 50 years or older permanent building Modernization project (see SFP Regulation Section 1859.78.7).	Ed Code Section 17074.25 & SFP Reg. Sections 1859.78.7 & 1859.82
i.	Demolition Costs	Ed Code Sections 17074.25 & 1859.82
j.	Interim Housing	Ed Code Sections 17074.25* & 1859.82

*These costs are recognized as components of allowable costs pursuant to EC Section 17074.25, and may be included as allowable expenditures under the Modernization program.

**Eligible expenditures in these sections may exceed the amounts requested on the Funding Application.

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H. Advisory Listing Detailing Common Ineligible Project Expenditures

The following tables are intended to provide advisory listings of common, but not exhaustive, ineligible Project expenditures.

In addition to the ineligible Project expenditures listed on the following tables, any costs associated with the Grantee's local debt issuance or interest on the Grantee's local bond(s) are also ineligible Project expenditures.

The Grantee may seek written clarification from OPSC for items not included in the lists of eligible and ineligible project expenditures. The local auditor may use the written response from OPSC to guide the audit of the project expenditures.

Office of Public School Construction Application Number: _____

1. New Construction – Separate Apportionment for Design Costs Or Adjusted Grant
Charter Schools Facilities Program – Separate Apportionment for Design Costs Or Adjusted Grant
Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

2. New Construction – Separate Apportionment for Site Acquisition Costs
Charter Schools Facilities Program – Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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3. New Construction – Adjusted Grant
Charter Schools Facilities Program – Adjusted Grant
Common Ineligible Project Expenditures

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & CSAM Procedure 770
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

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4. Modernization – Separate Apportionment for Design Costs Or Adjusted Grant Common Ineligible Project Expenditures

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25
b.	For projects that received Design funds only any construction related expenditures are not eligible	

5. Modernization – Adjusted Grant Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
e.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
f.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25
g.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training	

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	Type of Expenditure	Authority
	equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

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6. Career Technical Education Facilities Program – New Construction Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 193(a)&(b) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars	Ed Code Section 17078.72 & SFP Reg. Sections 193(a)&(b) & 1859.199

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	Type of Expenditure	Authority
	• Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17018.72(a) & SFP Reg. Sections 193(a)&(b) & 1859.199

Office of Public School Construction Application Number: _____

7. Career Technical Education Facilities Program – Modernization Common Ineligible Project Expenditures

	Type of Expenditure	Authority
a.	Acquisition and development of real estate.	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199
b.	Administrative and overhead costs including indirect costs for general management.	
c.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	
h.	Items not considered Furniture and Equipment because they are considered operational or supplies in nature, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars	Ed Code Section 17078.72 & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: _____

	Type of Expenditure	Authority
	• Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	
i.	Career Technical Education Facilities Program expenditures for equipment which does not have an average life expectancy of at least 10 years.	Ed Code Section 17018.72(a) & SFP Reg. Sections 1859.193(c) & 1859.199

Office of Public School Construction Application Number: _____

8. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

Office of Public School Construction Application Number: _____

9. Facility Hardship (Non-Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

Office of Public School Construction Application Number: _____

10. Facility Hardship (Non-Seismic) – Replacement
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.
'

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not eligible, including: • Computers • Printers	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	• Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

Office of Public School Construction Application Number: _____

11. Facility Hardship (Non-Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

Office of Public School Construction Application Number: _____

12. Facility Hardship (Non-Seismic) – Rehabilitation
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not an eligible cost for a facility hardship rehabilitation project unless specifically approved by DSA.	

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13. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Ineligible Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any site and/or construction related expenditures are not eligible	

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14. Facility Hardship (Seismic) – Replacement
Separate Apportionment for Site Acquisition Costs
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Expenditure	Authority
a.	Relocation costs not considered reasonable such as: goodwill not court ordered; the difference between the salvage value and new value of furniture and equipment costs, if the business vendor retains the furniture and equipment.	Ed Code Section 17072.35
b.	For projects that received site funds only (did not receive construction funds) any construction related expenditures are not eligible.	

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15. Facility Hardship (Seismic) – Replacement
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Repair of damages incurred during construction are not eligible	
d.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17072.35 & SFP Reg. Section 1859.82
h.	Items not considered Furniture and Equipment because it is considered operational or supplies in nature are not	

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CONSTRUCTION COSTS		
	Type of Ineligible Expenditure	Authority
	eligible, including: • Computers • Printers • Computer Carts • Teacher and student text books. • Athletic Team supplies/training equipment/uniforms. • Classroom supplies/consumables Bunsen Burners, test tubes, chemicals, mechanic wrenches, etc. • Golf Carts • Trailers • Trucks/Tractors and cars • Landscape equipment Mowers, etc. • School maintenance equipment Floor polisher/scrubber, etc. • Cleaning & janitorial supplies • Band equipment/Uniforms • Mascot Uniforms	

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16. Facility Hardship (Seismic) – Rehabilitation
Separate Apportionment for Design Costs
Or Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

DESIGN COSTS		
	Type of Expenditure	Authority
a.	Legal Fees not attributable to the project	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	For projects that received Design funds only any construction related expenditures are not eligible	

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17. Facility Hardship (Seismic) – Rehabilitation
Adjusted Grant
Common Ineligible Project Expenditures

If the facility hardship expenditure is not able to be categorized on the list of eligible SFP expenditures then it is considered ineligible.

Any work beyond the minimum work necessary, as indicated in the project's industry specialist report, to mitigate the health and safety issue(s), or work that was triggered by the health and safety mitigation work and that is required in order to obtain DSA approval, is not eligible.

Elective work or upgrades outside of the required scope of work done by the District are not eligible for funding.

Construction contract executed prior to May 20, 2006 is not eligible.

	Type of Expenditure	Authority
a.	Administrative and overhead costs including indirect costs for general management.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
b.	Campus supervision going beyond construction site security (such as campus security and administrative overhead).	
c.	Expenditures which have been reimbursed from another source such as insurance proceeds.	
d.	Repair of damages incurred during construction are not eligible	
e.	Expenditures associated with Facility Hardship SAB approvals which were not constructed as originally approved (see Regulation Section 1859.82).	
f.	Operational costs (such as service contracts and maintenance expenses or commissioning).	
g.	Supplies as described in the California School Accounting Manual (CSAM), Procedure 770.	Ed Code Section 17074.25 & SFP Reg. Section 1859.82
h.	Furniture and Equipment is not eligible for a facility hardship rehabilitation project unless specifically approves by DSA.	

Office of Public School Construction Application Number: _____

I. Record Retention

Grantee shall maintain satisfactory financial accounts, documents, and records for the Project, at a Project-specific level of detail. Grantee shall also retain such financial accounts, documents, and records necessary for an audit, pursuant to Education Code Section 41024(a)(4).

Financial accounts, documents, and records may be retained electronically.
(Authority: Government Code Section 12275(a) and (b), and Education Code Section 41024)

J. Material Inaccuracy

If a failure by the Grantee to comply with the terms of this Agreement, or an audit report determination that the Grantee has violated applicable state or federal law as it relates to this Project, stems from falsely certified information on the Funding Application or Fund Release Application (including certifications made by architects or other design professionals), then Material Inaccuracy findings and penalties, as described in Education Code 17070.51 and SFP Regulation Section 1859.104.1, may apply.

K. Conflict of Interest

All Grantees are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, Section 1090 and Public Contract Code, Sections 10410 and 10411, for State conflict of interest requirements.

1. Employees of the Grantee: Employees of the Grantee shall comply with all applicable provisions of law pertaining to conflicts of interest, including, but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Cal. Gov't Code § 87100 et seq.

2. Employees and Consultants to the Grantee: Individuals working on behalf of the Grantee may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.

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L. Severability

If any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

M. Disputes

1. Any claim that the Grantee may have regarding performance of this agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the Office of Public School Construction. The Office of Public School Construction and Grantee shall then attempt to negotiate a resolution of such claim and process an amendment to this Agreement to implement the terms of any such resolution.

2. Any claim that the Grantee may have regarding the audit report's project expenditure determination shall be adjudicated by the Education Audit Appeals Panel, consistent with Education Code Section 41344.

N. Electronic Filing

Any communication under this Grant Agreement shall be in writing and may be transmitted by electronic means. Communication sent electronically will be effective on the date of transmission.

O. Supplement, Not Supplant

The terms and conditions of this Agreement are intended to supplement, not supplant, the laws and regulations that apply to this Project. The Grantee understands and agrees to adhere to all laws and regulations that apply to this Project, even if those laws and regulations are not specifically cited in this Agreement.

P. Exact Duplicate

This Agreement is an exact duplicate (verbatim) of the Agreement provided by the Office of Public School Construction. In the event a conflict should exist, the language in the Agreement provided by the Office of Public School Construction will prevail.

Office of Public School Construction Application Number: _____

SIGNATURES

The statements set forth in this Agreement are true and correct to the best of my knowledge and belief. IN WITNESS WHEREOF, this Agreement has been executed by the parties.

NAME OF GRANTEE REPRESENTATIVE (PRINT)	PHONE NUMBER
SIGNATURE OF GRANTEE REPRESENTATIVE	DATE
SIGNATURE OF EXECUTIVE OFFICER OF THE OFFICE OF PUBLIC SCHOOL CONSTRUCTION, OR DESIGNEE	DATE

ATTACHMENT 3

SFP Statutory Authority

Education Code (EC) Section 17070.35 – Board's Duties

(a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:
(1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter. However, the board shall have no authority to set the level of the fees of any architect, structural engineer, or other design professional on any project. The initial regulations adopted pursuant to this chapter shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this chapter shall be adopted by November 4, 1998. If the initial regulations are not adopted by that date, the board shall report to the Legislature by that date, explaining the reasons for the delay.
(2) Establish and publish any procedures and policies in connection with the administration of this chapter as it deems necessary.
(3) Determine the eligibility of school districts to receive apportionments under this chapter.
(4) Apportion funds to eligible school districts under this chapter.
(b) The board shall review and amend its regulations as necessary to adjust its administration of this chapter to conform with the act that amended this section to add this subdivision. Regulations adopted pursuant to this subdivision shall be adopted by November 5, 2002, and shall be adopted as emergency regulations in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). The adoption of any emergency regulation pursuant to this subdivision filed with the Office of Administrative Law shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare. Notwithstanding subdivision (e) of Section 11346.1 of the Government Code, any emergency regulation adopted pursuant to this section shall remain in effect for no more than 365 days unless the board has complied with Sections 11346.2 to 11348, inclusive, of the Government Code.

EC Section 17072.35 – Use of New Construction Grants

A grant for new construction may be used for any and all costs necessary to adequately house new pupils in any approved project, and those costs may only include the cost of design, engineering, testing, inspection, plan checking, construction management, site acquisition and development, evaluation and response action costs relating to hazardous substances at a new or existing schoolsite, demolition, construction, acquisition and installation of portable classrooms, landscaping, necessary utility costs, utility connections and other fees, equipment including telecommunication equipment to increase school security, furnishings, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A grant for new construction may also be used to acquire an existing government or privately owned building, or a privately financed school building, and for the necessary costs of converting the government or privately owned building for public school use. A grant for new construction may also be used for the costs of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high performance schools.

ATTACHMENT 3

EC Section 17074.25 – Use of Modernization Grants

(a) A modernization apportionment may be used for an improvement to extend the useful life of, or to enhance the physical environment of, the school. The improvement may only include the cost of design, engineering, testing, inspection, plan checking, construction management, demolition, construction, the replacement of portable classrooms, necessary utility costs, utility connection and other fees, the purchase and installation of air-conditioning equipment and insulation materials and related costs, furniture and equipment, including telecommunication equipment to increase school security, fire safety improvements, playground safety improvements, the identification, assessment, or abatement of hazardous asbestos, seismic safety improvements, and the upgrading of electrical systems or the wiring or cabling of classrooms in order to accommodate educational technology. A modernization grant may not be used for costs associated with acquisition and development of real property or for routine maintenance and repair.
(b) A modernization apportionment may also be used for the cost of designs and materials that promote the efficient use of energy and water, the maximum use of natural lighting and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and other characteristics of high-performance schools.

EC Section 17075.10 – Facility Hardship and Financial Hardship Criteria

(a) A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.
(b) A school district applying for hardship state funding under this article shall comply with either paragraph (1) or (2).
(1) Demonstrate both of the following:
(A) That due to extreme financial, disaster-related, or other hardship the school district has unmet need for pupil housing.
(B) That the school district is not financially capable of providing the matching funds otherwise required for state participation, that the district has made all reasonable efforts to impose all levels of local debt capacity and development fees, and that the school district is, therefore, unable to participate in the program pursuant to this chapter except as set forth in this article.
(2) Demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50-percent state share basis from funds reserved for that purpose in any bond approved by the voters after January 1, 2006. If the board determines that the seismic mitigation work of a school building would require funding that is greater than 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter.
(c) The board shall review the increased costs that may be uniquely associated with urban construction and shall adjust the per-pupil grant for new construction or modernization hardship applications as necessary to accommodate those costs. The board shall adopt regulations setting forth the standards, methodology, and a schedule of allowable adjustments, for the urban adjustment factor established pursuant to this subdivision.

ATTACHMENT 3

EC Section 17076.10 – Program Accountability – Expenditure Reports

(a) A school district that has received any funds pursuant to this chapter shall submit a summary report of expenditure of state funds and of district matching funds annually until all state funds and district matching funds are expended, and shall then submit a final report to the board. The board may require an audit of these reports or other district records to ensure that all funds received pursuant to this chapter are expended in accordance with program requirements.
(b) If the board finds that a participating school district has made no substantial progress towards increasing its pupil capacity or modernizing its facilities within 18 months of the receipt of any funding pursuant to this chapter, the board shall rescind the apportionment in an amount equal to the unexpended funds.
(c)(1) If the board, after the review of expenditures or audit has been conducted pursuant to subdivision (a), determines that a school district failed to expend funds in accordance with this chapter, the department shall notify the school district of the amount that must be repaid to the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, or the 2004 State School Facilities Fund, as the case may be, within 60 days. If the school district fails to make the required payment within 60 days, the department shall notify the Controller and the school district in writing, and the Controller shall deduct an amount equal to the amount received by the school district under this subdivision, from the school district's next principal apportionment or apportionments of state funds to the school district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution. Any amounts obtained by the Controller shall be deposited into the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, or the 2004 State School Facilities Fund, as appropriate.
(2) Notwithstanding paragraph (1), if the board determines that repayment of the full liability within 60 days after the board action would constitute a severe financial hardship, as defined by the board, for the school district, the board shall approve a plan of equal annual payments over a period of up to five years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Controller shall withhold amounts, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution, pursuant to the plan.
(d) If a school district has received an apportionment, but has not met the criteria to have funds released pursuant to Section 17072.32 or 17074.15 within a period established by the board, but not to exceed 18 months, the board shall rescind the apportionment and deny the district's application.

EC Section 17078.52 – Charter School Facilities Program Establishment

(a) There is hereby established the Charter Schools Facilities Program to provide funding to qualifying entities for the purpose of establishing school facilities for charter school pupils.
(b)(1) The 2002 Charter School Facilities Account is hereby established within the 2002 State School Facilities Fund established pursuant to subdivision (b) of Section 17070.40. The proceeds of bonds, as set forth in subparagraph (A) of paragraph (1) of subdivision (a) of Section 100620, shall be deposited into the 2002 Charter School Facilities Account for the purposes of this article. Notwithstanding Section 13340 of the Government Code, funds deposited into the account are hereby continuously appropriated for the purposes of this article.
(2) The 2004 Charter School Facilities Account is hereby established within the 2004 State School Facilities Fund established pursuant to subdivision (c) of Section 17070.40. The proceeds of bonds, as set forth in subparagraph (A) of paragraph (1) of subdivision (a) of Section 100820, if approved by the voters, shall be deposited into the 2004 Charter School Facilities Account for the purposes of this article. Notwithstanding Section 13340 of the Government Code, funds deposited into the account are hereby continuously appropriated for the purposes of this article.
(3) The 2006 Charter School Facilities Account is hereby established within the 2006 State School Facilities Fund established pursuant to subdivision (d) of Section 17070.40. The proceeds of bonds, as set forth in paragraph (2) of subdivision (a) of Section 101012, if approved by the voters, shall be deposited into the 2006 Charter School

Facilities Account for the purposes of this article. Notwithstanding Section 13340 of the Government Code, funds deposited into the account are hereby continuously appropriated for the purposes of this article.
(c) As used in this article, the following terms have the following meanings:
(1) “Authority” means the California School Finance Authority established pursuant to Section 17172.
(2) “Account” means the pertinent account established under subdivision (b).
(3) “Preliminary apportionment” means an apportionment made for eligible applicants under this article in advance of full compliance with all of the application requirements otherwise required for an apportionment pursuant to this chapter. The process for making preliminary apportionments under this article shall be substantially identical to the process established for critically overcrowded schools pursuant to Sections 17078.22 to 17078.30, inclusive.
(4) “Financially sound” means a charter school that has demonstrated, over a period of time determined by the authority, but not less than 24 months immediately preceding the submission of the application, that it has operated as a financially capable concern in California, as measured by criteria established by the authority. A charter school that cannot demonstrate that it has been a financially capable concern for at least 24 months immediately preceding the submission of the application, due solely to not having operated as a charter school for at least 24 months, may meet this 24-month requirement if the charter school is managed by staff who have at least 24 months of documented experience, as measured by criteria established by the authority and the charter school has an educational plan, financial resources, facilities expertise, management expertise, and has been a financially capable concern for at least 24 months, as established by the authority.
(d) The board shall, from time to time, transfer funds within the account to the California School Finance Authority Fund for the purposes of this article pursuant to the request of the authority as set forth in this article.

EC Section 17078.72 – Career Technical Education Facilities Program Establishment

(a) The Career Technical Education Facilities Program is hereby established to provide funding to qualifying local educational agencies for the purpose of constructing new facilities or reconfiguring existing facilities, including, but not limited to, purchasing equipment with an average useful life expectancy of at least 10 years, to enhance educational opportunities for pupils in existing high schools in order to provide them with the skills and knowledge necessary for the high-demand technical careers of today and tomorrow.
(b) The State Department of Education, in cooperation with the Chancellor’s Office of the California Community Colleges, the Labor and Workforce Development Agency, and industry groups, shall develop criteria and pupil outcome measures to evaluate the program. The criteria shall ensure equity, program relevance to industry needs, and articulation with more advanced coursework at the partnering community colleges or private institutions.
(c) The program shall be based on grant applications administered by the board.
(d) Grants shall be allocated on a per-square-foot basis for the applicable type of construction proposed or deemed necessary by the board consistent with the approved application for the project.
(e) New construction grants shall not exceed three million dollars ($3,000,000) per project per schoolsite, inclusive of equipment, and shall only be allocated to comprehensive high schools that have an active Career Technical Advisory Committee pursuant to Section 8070, in either of the following methods:
(1) For a stand-alone project on a per-square-foot basis for the applicable type of construction proposed, based on the criteria established pursuant to subdivision (b), consistent with the approved application for the project.
(2) For new school projects, as a supplement to the per pupil allocation pursuant to Section 17072.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.
(f) Modernization grants shall not exceed one million five hundred thousand dollars ($1,500,000) per project per schoolsite, inclusive of equipment and may be awarded to comprehensive high schools or joint power authorities currently operating career technical education programs that have an active Career Technical Advisory Committee pursuant to Section 8070 for the purpose of reconfiguration. For comprehensive high schools, the grant shall be

supplemental to the per pupil allocation pursuant to Section 17074.10. The supplement is intended to cover excess costs uniquely related to the facilities required to provide the career technical education program or programs.
(g)(1) A school district shall contribute from local resources a dollar amount that is equal to the amount of the grant of state funds awarded under subdivisions (d), (e), and (f). The required local contribution may be provided by private industry groups, the school district, or a joint powers authority.
(2) A school district shall not be required to demonstrate that it has unhoused pupils or that a permanent school building is more than 25 years old in order to receive a grant under the program.
(h) The program shall allow the required local contribution to be paid over time if sufficient local funds are not immediately available. The board may provide for a repayment schedule consistent with subparagraphs (C) and (D) of paragraph (1) of subdivision (a) of Section 17078.57. The board shall not waive the required local contribution on the basis of financial hardship or on any other basis.
(i) Applications shall meet the criteria developed under subdivision (b) and shall require all of the following:
(1) A clear and comprehensive career technical education plan for each course of study applicable to the instructional space.
(2) Projections of pupil enrollment.
(3) Identification of feeder schools, industry partners, and community colleges or other postsecondary schools participating in the development, articulation, and review of the educational program.
(4) Evidence of approval of the plan by the entities listed in paragraph (3).
(5) The method by which accountability for pupil enrollments and outcomes will be maintained. Outcomes shall include, but are not limited to, certificate completion, the successful entry of pupil to employment in the applicable industry, and successful transition to post-secondary institutions for work in the applicable industry or other areas of study.
(6) Evidence of coordination with all feeder schools, middle schools, and high schools within the area to ensure that the project and programs complement career technical education offerings in the area.
(7) Evidence that upon completion of the project the local educational agency will meet all of its obligations under Section 51228 relating to career technical education.
(j) Applications shall give weight to the number of pupils expected to attend, the cost per pupil, financial participation by industry partners in the construction and equipping of the facility, commitment to accountability for outcomes and participation, the strength and relevance of the educational plans to the needs of industry for qualified technical employees applicable to the economic development needs of the region in which the project will be located, and coordination and articulation with feeder schools, other high schools, and community colleges.
(k) The Office of Public School Construction shall develop and the board shall approve regulations to implement this article on or before April 19, 2007, and the board may promulgate those regulations first on an emergency basis, which shall be effective for no more than 12 months, after which any permanent regulations shall be promulgated in accordance with the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
(l) Notwithstanding paragraphs (e) and (f), a project approved pursuant to this section is also eligible for an incentive grant from the funds specified in paragraph (8) of subdivision (a) of Section 101012 if the project meets the criteria prescribed in that section.

EC Section 41024*

(a) (1) Commencing April 1, 2017, a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) shall annually report a detailed list of all expenditures of state funds, including interest, and of the local educational agency's matching funds for completed projects until all state funds, including interest, all of the local educational agency's matching funds, and savings achieved, including interest, pursuant to Section 17070.63, are expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998, associated

regulations, and any accompanying grant agreement signed by a local educational agency. A local educational agency's detailed list of expenditures shall identify expenditures on a project-by-project basis, reflect completed projects that were reimbursed within that fiscal year, and shall clearly indicate the list of projects that have been completed.

(2) For purposes of this section, the determination that a project is complete shall be in accordance with the regulations adopted pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1).

(3) The total amount of interest earned on the state funds shall be reported on the final expenditure report upon completion of a project. For the purposes of determining the total amount of interest earned on the state funds, interest shall be considered to accrue from the time state funds are deposited in the local educational agency's account until the time the local educational agency submits the final expenditure report to the Office of Public School Construction.

(4) Commencing April 1, 2017, a local educational agency participating in the school facilities program shall ensure that it retains all financial accounts, documents, and records necessary for an audit of completed projects pursuant to Section 16026 of Title 5 of the California Code of Regulations. For purposes of this paragraph and in compliance with any applicable state and federal standards, a local educational agency may maintain records electronically.

(5) Any project identified on a local educational agency's detailed list of expenditures pursuant to paragraph (1) that is reported complete during the 2017–18 fiscal year shall be audited as part of that local educational agency's audit for the 2018–19 fiscal year. All other completed projects shall be audited as part of the local educational agency's audit for the fiscal year in which the project is reported complete.

(b) (1) Commencing with audits of the 2018–19 fiscal year, the Controller shall include instructions in the audit guide required by Section 14502.1 that include, but are not necessarily limited to, procedures for determining all of the following:

(A) Whether funds identified by a local educational agency on its detailed list of expenditures pursuant to paragraph (1) of subdivision (a) have been expended in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), associated regulations, and any accompanying grant agreement signed by a local educational agency.

(B) That savings achieved, including interest, pursuant to Section 17070.63, are used for other high priority capital outlay purposes identified by the local educational agency, and in accordance with the requirements of the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), associated regulations, and as specified in any accompanying grant agreement.

(C) Adjustments to the grant amounts received by a local educational agency for site acquisition costs based upon the local educational agency's final approved expenditures as required pursuant to Sections 1859.105 and 1859.106 of Title 2 of the California Code of Regulations, as those sections read on July 1, 2017.

(D) If there are any unspent funds associated with the completion of a Charter School Facilities Program project that must be returned to the Office of Public School Construction as required pursuant to Section 1859.169.1 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(E) If there are any unspent funds associated with the completion of a Career Technical Education Facilities Program project that must be returned to the Office of Public School Construction as required pursuant to Section 1859.199 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(F) If there are any unspent funds associated with the completion of a project, where the local educational agency received hardship funding as described in Sections 1859.81, 1859.81.1, 1859.81.2, and 1859.81.3 of Title 2 of the California Code of Regulations, that must either be returned to the Office of Public School Construction or expended consistent with the requirements pursuant to Section 1859.103 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(G) Adjustments to the grant amounts received by a local educational agency associated with the substantial progress requirements reflected in the program reporting requirements pursuant to Section 1859.104 of Title 2 of the California Code of Regulations, as that section read on July 1, 2017.

(2) Any amounts or adjustments identified pursuant to subparagraphs (C) to (G), inclusive, of paragraph (1) shall be identified within a local educational agency's annual audit, but shall not be considered an audit exception for purposes of this section.
(c) (1) The department shall provide the Office of Public School Construction with a copy of the audit identifying the amounts to be adjusted if, as a result of the audit conducted in accordance with the requirements of subdivisions (a) and (b), any of the following is determined:
(A) A local educational agency has unspent funds for the project not identified as savings pursuant to Section 17070.63, which are therefore required to be returned pursuant to subparagraphs (C) to (G), inclusive, of paragraph (1) of subdivision (b), and any accompanying grant agreement signed by a local educational agency.
(B) A local educational agency is subject to an increase or decrease in funds provided pursuant to subparagraphs (C) to (G), inclusive, of paragraph (1) of subdivision (b), and any accompanying grant agreement signed by a local educational agency.
(C) A local educational agency failed to expend funds in accordance with the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1) and any accompanying grant agreement signed by a local educational agency.
(2) Upon receipt of the audit, the Office of Public School Construction shall present any grant adjustments required pursuant to subparagraphs (A) and (B) of paragraph (1) for a specified project to the State Allocation Board for an adjustment to the project apportionment. Funds identified for purposes of subparagraphs (A) and (B) of paragraph (1) shall be apportioned from, or returned to, the appropriate funds, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable. If a school district is required to return unspent funds, the fund source for returned funds shall be the county school facilities fund identified in subdivision (a) of Section 17070.43.
(3) The auditor conducting the audit pursuant to this section shall notify the department of any audit exceptions identified pursuant to this section and any amounts or adjustments identified pursuant to subparagraph (C) of paragraph (1) consistent with the notification requirements established in subdivision (l) of Section 41020.
(4) A local educational agency may appeal the finding pursuant to the timelines and process established in subdivision (d) of Section 41344. The procedures set out in subdivision (d) of Section 41344.1 do not apply to the audit required by this section.
(5) The department shall ensure that the local educational agency has corrected the audit exception by implementing a required penalty payment of funds equal to the amount of funds disallowed in the audit exception pursuant to the process specified in subdivision (d).
(d) (1) If, as the result of the audit, a local educational agency is required to pay funds pursuant to subparagraph (C) of paragraph (1) of subdivision (c), the department shall recover the funds from the local educational agency.
(2) If the local educational agency has submitted an appeal to the Education Audit Appeals Panel pursuant to subdivision (d) of Section 41344, the department shall not recover funds until following the determination of the appeal.
(3) A local educational agency may use any local fund source to pay the disallowed or penalty amount pursuant to subparagraph (C) of paragraph (1) of subdivision (c) so long as there is no legal prohibition regarding the use of those funds for this purpose.
(4) A local educational agency may request from the department a repayment plan within 90 days of receiving the final audit report, or within 30 days of withdrawing or receiving a final determination regarding an appeal pursuant to subdivision (d) of Section 41344 and subdivision (b) of Section 41344.1, as applicable. The department and the Director of Finance, or their designees, jointly shall establish a plan for payment. The payment plan shall be established in accordance with the following:
(A) If the department and the Director of Finance, in consultation with the Executive Officer of the Office of Public School Construction, concur that payment of the penalty in the current fiscal year would constitute a severe financial hardship for the local educational agency, they may jointly approve a plan of equal annual payments over a period of up to eight years. The plan may include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The department and the Director of Finance jointly shall establish this plan. At the time the local educational agency is notified, the Controller also shall be notified of the plan

by the department. The Controller shall withhold the annual amount established pursuant to the plan from the local educational agency's principal apportionment or Education Protection Account payments.
(B) Notwithstanding subparagraph (A), if the department and the Director of Finance, in consultation with the Executive Officer of the Office of Public School Construction, concur that payment of the penalty over an eight-year period would require the local educational agency to request an emergency apportionment pursuant to the provisions of Article 2 (commencing with Section 41320) of, and Article 2.5 (commencing with Section 41325) of, Chapter 3, they may approve a plan of equal annual payments over a period of up to 20 years. The plan shall include interest on each year's outstanding balance at the rate earned on the state's Pooled Money Investment Account during that year. The Controller shall withhold the annual amount established pursuant to the plan from the local educational agency's principal apportionment or Education Protection Account payments.
(C) If a payment plan submitted pursuant to this section is not approved by the department and the Director of Finance, in consultation with the Executive Officer of the Office of Public School Construction, or is not requested by the local educational agency, the department shall invoice the local educational agency for the entire disallowed amount. If the local educational agency does not remit payment for the invoice within 120 days of issuance, the department shall request that the Controller withhold the entire disallowed amount from the local educational agency's principal apportionment or Education Protection Account payments.
(D) (i) Funds recovered by the department or withheld by the Controller pursuant to this section shall be deposited into the appropriate state school facilities fund, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable.
(ii) Funds remitted to the Office of Public School Construction by a local educational agency from local fund sources, as authorized by paragraph (3), shall be deposited into the appropriate state school facilities fund, as established in the State Treasury pursuant to Section 17070.40 or 17070.41, as applicable.
(e) As used in this section, "audit or review" and "local educational agency" shall have the same meaning as the terms are defined in paragraphs (1) and (2) of subdivision (e) of Section 41344.
(f) The State Allocation Board shall not waive all or any part of this section, any grant agreement or provisions of a grant agreement signed by a local educational agency that receives any funds pursuant to the Leroy F. Greene School Facilities Act of 1998 (Chapter 12.5 (commencing with Section 17070.10) of Part 10 of Division 1 of Title 1), or any regulation adopted that implements a provision of this section.
(g) In any appeal filed pursuant to Section 41344 and this section, the Office of Public School Construction, the Department of Finance, and the department may timely move to intervene as a party.
(h) If the Office of Public School Construction chooses not to intervene in an appeal, the administrative law judge conducting the hearing, or the Education Audit Appeals Panel, may request that the Office of Public School Construction issue and file in the appeal an objective interpretation of any applicable law, regulation, or term of the grant agreement within 30 days of the request or such longer period as the administrative law judge or the Education Audit Appeals Panel deems reasonable. The Office of Public School Construction's filing shall not argue or seek to resolve issues of fact, but may state how a particular law, regulation, or grant agreement term applies to competing factual contentions. The agent of the Office of Public School Construction shall be precluded from acting as a party once a request pursuant to this subdivision is made.
(i) Notwithstanding subdivision (a), this section shall not apply to any school facilities project that was apportioned before July 1, 2017.

*This assumes the Governor will sign the budget by June 28, 2017.

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REPORT OF THE EXECUTIVE OFFICER
State Allocation Board Meeting, June 28, 2017

FINANCIAL HARDSHIP PROPOSED REGULATIONS

PURPOSE

To present proposed regulation amendments related to the submittal of requests for Financial Hardship approval pursuant to School Facility Program (SFP) Regulation Section 1859.81.

DESCRIPTION

Existing regulations require districts requesting Financial Hardship assistance to have pre-approved Financial Hardship status prior to submittal of an *Application for Funding* (Form SAB 50-04). The proposed regulatory amendments would allow districts seeking Financial Hardship assistance to submit a request for funding without a pre-approved Financial Hardship status. This would allow Staff to streamline the Financial Hardship approval process by accepting the Form SAB 50-04 when districts are ready to submit, and conducting a Financial Hardship review at the time the application is processed, prior to placement on the Unfunded List (Lack of AB 55 Loans).

Please see Attachment A for a visual comparison between the current and newly proposed Financial Hardship approval processes.

AUTHORITY

See Attachment B.

BACKGROUND

Financial Hardship assistance is available for districts that cannot provide their matching share for an SFP new construction or modernization project (including facility hardship projects). In order to receive Financial Hardship assistance, a district must have made all reasonable efforts to fund its local matching share of the project and must also demonstrate that it is unable to contribute all or a portion of the matching share requirement.

Currently, SFP Regulations state that a district must have an approved Financial Hardship status prior to submitting a Form SAB 50-04 requesting funding. Absent an amendment to this regulation, all new applicants seeking Financial Hardship must first have an analysis done by Staff to determine if the district meets the criteria in SFP Regulation Section 1859.81 and to determine the amount of any available local contribution. This analysis is done as a point in time analysis and Financial Hardship status is valid for any funding applications submitted within 6 months of Financial Hardship approval.

However, the OPSC workload list has projects on it that were received dating back to November 2012. As Staff moves forward with processing these applications, there will be a gap in time between when new applications are submitted to OPSC and when they are actually processed to the State Allocation Board (Board) for funding consideration. Without an amendment to regulations, by the time a funding application is processed, the analysis related to Financial Hardship status will be outdated. There is no process in current regulation to require an update to the financial analysis for projects on the workload list.

STAFF ANALYSIS/STATEMENTS

The current SFP Regulations do not contemplate the approval process for Financial Hardship when there is a large backlog of funding applications to process. In other areas of the program, such as for projects on the Unfunded List (Lack of AB 55 Loans), a re-review is required per regulation if the project remains on the list for longer than six months. The re-review process requires districts and staff to review a district's financial information to determine if additional funds have become available to fund their project. This is required for projects on an unfunded list, as it is unknown when apportionment will occur and when the six month Financial Hardship approval expires.

Because a period of time longer than six months will pass between when an application is submitted and is processed, Staff is concerned that absent a regulation change, the appropriate financial information will not be used to determine the amount of Financial Hardship assistance that is allowable for a project at the time the funding request is processed. Further, to perform a financial analysis prematurely will not benefit the district seeking this assistance. Rather it may result in a duplication of work, when it is known that funding applications will not be processed within the six month time period associated with Financial Hardship status. Staff also believes the process should be more streamlined, and it should not require districts to submit financial information multiple times when it is not known which time period is appropriate to the processing of the funding application. Staff also wants to ensure that districts will not be delayed in submitting their funding applications for placement on the workload list.

To address this issue Staff has prepared proposed amendments to SFP Regulations and the Form SAB 50-04 for the Board's consideration. The proposed amendments would allow OPSC to accept funding applications requesting Financial Hardship assistance prior to OPSC notification of approval of Financial Hardship status. Districts will not submit and OPSC will not process the documents necessary for a Financial Hardship approval until written notification is received from OSPC that the district's application will soon be processed.

In order to maintain the existing concept of applications within a six month time period using the original Financial Hardship approval, the regulations also propose that any funding applications that are expected to be *processed* within 180 calendar days of the OPSC approval of financial hardship will fall under the original hardship approval. Funding applications that are processed after the six month time period will require a new Financial Hardship approval.

Below is a summary of the proposed regulations.

SFP Regulation Section 1859.81 – Financial Hardship

The proposed amendments add language that would establish a new process for submitting a funding application requesting Financial Hardship.

Under the proposed amendments, districts would not submit their financial records until a written notification from OPSC is received by the district. Approximately 90 days before OPSC intends to commence processing of an application requesting Financial Hardship assistance, OPSC will send a written notification to the District to provide all documentation needed for a Financial Hardship review. To this end, OPSC has added paragraph (h) to the current Financial Hardship regulations in Section 1859.81. This new section describes the steps that need to be taken by a district when requesting Financial Hardship assistance and the process OPSC will use to notify a district when a review will take place. Additionally, there is new language that provides districts with options should they not be eligible for Financial Hardship status. This section also states that funding applications that are processed by OPSC within 180 calendar days of the Financial Hardship approval will be included and that OPSC will not accept any financial analysis documents in advance of OPSC's notification to submit the

STAFF ANALYSIS/STATEMENTS (cont.)

documentation needed for Financial Hardship review. Lastly, there is a change to Section 1859.81(e) that strikes out language no longer needed as it relates to the existing pre-approval process.

Application for Funding (Form SAB 50-04) *Amendments*

Instructions Section

- The proposed amendment deletes language that requires the district to obtain pre approval for Financial Hardship status in the General Information Section and the Specific Instruction Section.
- The proposed amendment adds language to the General Information Section and the Specific Instruction Section to coincide with the proposed SFP Regulations to allow submittal pending OPSC approval of Financial Hardship.

Application Section

- The proposed amendment removes a checkbox on the Application for Funding that requires a "pre-approval letter" for financial hardship applications.
- The proposed amendment adds a new checkbox to coincide with proposed SFP Regulations to allow submittal pending OPSC approval of Financial Hardship.

RECOMMENDATIONS

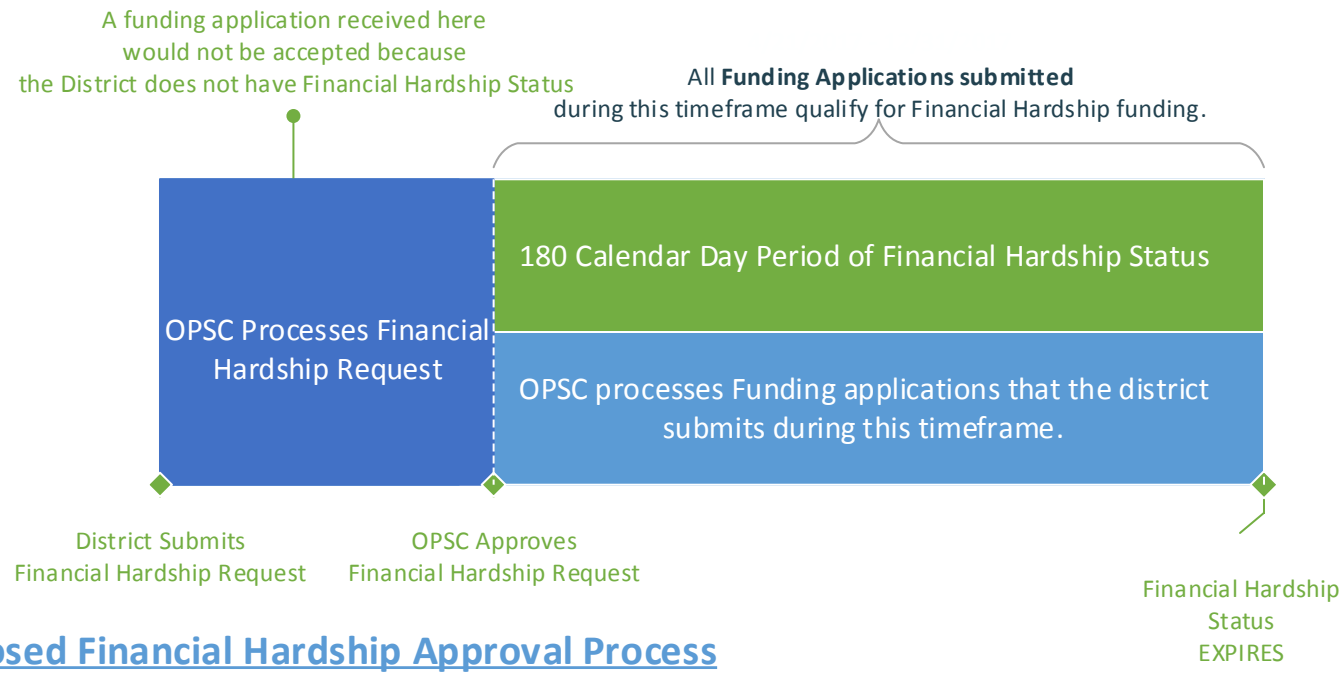
1. Adopt the proposed regulations as shown in Attachments C.

2. Authorize the Executive Officer to file the proposed regulations with the Office of Administrative Law on an emergency basis.

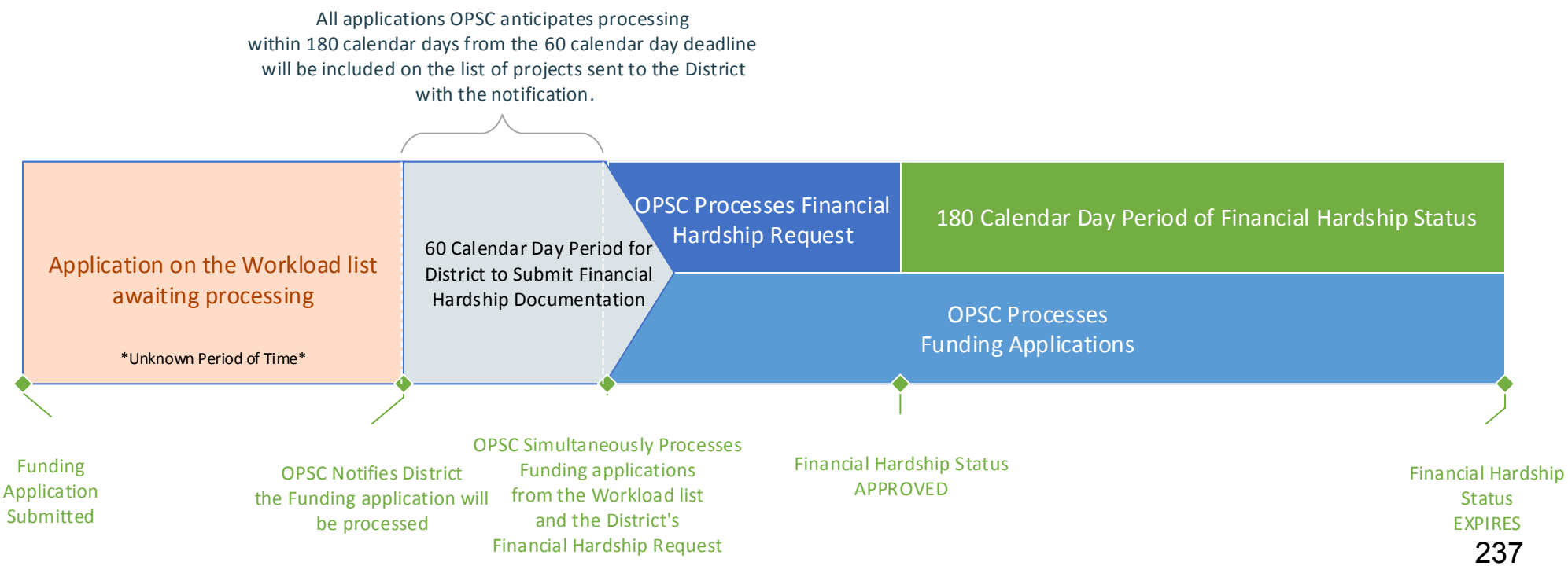
This Item was approved by the State Allocation Board on June 28, 2017.

ATTACHMENT A

Current Financial Hardship Approval Process



Proposed Financial Hardship Approval Process



ATTACHMENT B

Education Code Section 17070.35.

(a) In addition to all other powers and duties as are granted to the board by this chapter, other statutes, or the California Constitution, the board shall do all of the following:

(1) Adopt rules and regulations, pursuant to the rulemaking provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, for the administration of this chapter. However, the board shall have no authority to set the level of the fees of any architect, structural engineer, or other design professional on any project. The initial regulations adopted pursuant to this chapter shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this chapter shall be adopted by November 4, 1998. If the initial regulations are not adopted by that date, the board shall report to the Legislature by that date, explaining the reasons for the delay.

Education Code Section 17075.10.

(a) A school district may apply for hardship assistance in cases of extraordinary circumstances. Extraordinary circumstances may include, but are not limited to, the need to repair, reconstruct, or replace the most vulnerable school facilities that are identified as a Category 2 building, as defined in the report submitted pursuant to Section 17317, determined by the department to pose an unacceptable risk of injury to its occupants in the event of a seismic event.

(b) A school district applying for hardship state funding under this article shall comply with either paragraph (1) or (2).

(1) Demonstrate both of the following:

(A) That due to extreme financial, disaster-related, or other hardship the school district has unmet need for pupil housing.

(B) That the school district is not financially capable of providing the matching funds otherwise required for state participation, that the district has made all reasonable efforts to impose all levels of local debt capacity and development fees, and that the school district is, therefore, unable to participate in the program pursuant to this chapter except as set forth in this article.

(2) Demonstrate that due to unusual circumstances that are beyond the control of the district, excessive costs need to be incurred in the construction of school facilities. Funds for the purpose of seismic mitigation work or facility replacement pursuant to this section shall be allocated by the board on a 50-percent state share basis from funds reserved for that purpose in any bond approved by the voters after January 1, 2006. If the board determines that the seismic mitigation work of a school building would require funding that is greater than 50 percent of the funds required to construct a new facility, the school district shall be eligible for funding to construct a new facility under this chapter.

(c) The board shall review the increased costs that may be uniquely associated with urban construction and shall adjust the per-pupil grant for new construction or modernization hardship applications as necessary to accommodate those costs. The board shall adopt regulations setting forth the standards, methodology, and a schedule of allowable adjustments, for the urban adjustment factor established pursuant to this subdivision.

Education Code Section 17075.15 (b)

The board shall adopt regulations for determining the amount of funding that may be provided to a district, and the eligibility and prioritization of funding, under this article.

ATTACHMENT C

Section is amended and a new sub-section is added

Section 1859.81 Financial Hardship

…

(e) If the district meets the financial hardship requirements in this Section, the amount of financial hardship is equal to the district's matching share less funds deemed available in (a).

(1) Once a district has been notified by ~~the~~ OPSC that it meets the requirements of financial hardship in this Section, the district may file Form SAB 50-04 under the provisions of financial hardship anytime within a period of 180 calendar days from the date of the OPSC notification.

(2) If the district does not submit Form SAB 50-04 under the provisions of financial hardship within 180 calendar days of the OPSC notification of approval of financial hardship status, the district must re-qualify for financial hardship status under the provisions of this Section by submittal of a new request for financial hardship status.

(3) If the ~~district submits Form SAB 50-04 within 180 calendar days of the OPSC notification of approval of financial hardship and the~~ project(s) has been included on an unfunded list for more than 180 calendar days, a review of the district's funds pursuant to (a) will be made to determine if additional district funds are available to fund the district's matching share of the project(s).

(h) On or after June 28, 2017, a district may submit a request for funding in advance of obtaining a determination of Financial Hardship.

(1) To be considered for Financial Hardship, the district must check the box on the Form SAB 50-04 requesting Financial Hardship pursuant to this subsection when submitting a request for funding.

(2) Prior to processing an application OPSC will notify the district in writing to submit the necessary documentation for a Financial Hardship analysis pursuant to (a), (b), (c) and (d). OPSC will not accept any documents for a Financial Hardship analysis in advance of the notification. Failure to submit the requested documentation within 60 calendar days of OPSC's notification will result in either a. or b.:

a. District may amend their Form SAB 50-04 to exclude the request for Financial Hardship determination.

b. OPSC will return the request for funding and related materials to the district.

(3) Upon notification of Financial Hardship approval, any Form SAB 50-04 processed within 180 calendar days of the approval date will be included in the approval.

(4) For any Form SAB 50-04 processed more than 180 calendar days after the date of the Financial Hardship approval the district shall re-qualify for Financial Hardship status.

GENERAL INFORMATION

If this application is submitted when there is Insufficient Bond Authority, as defined in Regulation Section 1859.2, the School District must adopt and submit a school board resolution, pursuant to Regulation Section 1859.95.1. For information regarding remaining bond authority, contact the Office of Public School Construction (OPSC) prior to submittal of this application.

Once the Board has determined or adjusted the district's eligibility for either new construction or modernization funding, the district may file an application for funding by use of this form. The Board will only provide new construction funding if this form is submitted prior to the date of occupancy of any classrooms included in the construction contract. If the district has a pending reorganization election that will result in the loss of eligibility for the proposed project, the district may not file an application for funding until the Board has adjusted the district's new construction baseline eligibility as required in Section 1859.51. This may be accomplished by completion of Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03.

For purposes of Education Code Section 17073.25, the California Department of Education (CDE) is permitted to file modernization applications on behalf of the California Schools for the Deaf and Blind.

Requests for funding may be made as follows:

1. A separate apportionment for site acquisition for a new construction project for environmental hardship pursuant to Section 1859.75.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Contingent site approval letter from the CDE.
   - Preliminary appraisal of property.
   - Approval letter from the Department of Toxic Substances Control.
2. A separate apportionment for site acquisition and/or design costs for a new construction project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. Districts may apply for a separate apportionment for the design and for site acquisition on the same project. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Contingent site approval letter from the CDE (site apportionment only).
   - Preliminary appraisal of property (site apportionment only).
3. A separate apportionment for district-owned site acquisition cost pursuant to Section 1859.81.2. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Site approval letter from the CDE.
   - Appraisal of district-owned site.
   - Cost benefit analysis as prescribed in Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
4. A separate apportionment for design cost for a modernization project pursuant to Section 1859.81.1. This apportionment is available only to districts that meet the financial hardship criteria in Section 1859.81. For purposes of this apportionment, the Form SAB 50-03 must accompany this form (if not previously submitted).
5. A New Construction Adjusted Grant pursuant to Section 1859.70 or 1859.180. If the funding request includes site acquisition, the proposed site must either be owned by the district, in escrow, or the district has filed condemnation proceedings and received an order of possession of the site. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03 (if not previously submitted).
   - Site/plan approval letter from the CDE.
   - Appraisal of property if requesting site acquisition funds.
   - Plans and specifications (P&S) for the project that were approved by the DSA. Submittal of plans may be on CD-ROM or "Zip Drive" readable in AutoCAD 14. The specifications may be provided on a diskette that is IBM compatible.
   - Cost estimate of proposed site development, if requesting site development funding.
   - If this request is pursuant to Section 1859.77.2 and the district's housing plan is other than those listed in the certification section of this form, a copy of the school board resolution and the approved housing plan.
   - If the site apportionment is requested pursuant to Regulation Section 1859.74.5, a cost benefit analysis as prescribed in Regulation Section 1859.74.6 or a copy of the Board finding that the non-school function on the district-owned site must be relocated.
   - If this request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, a justification of how the project relieves overcrowding, including but not limited to, the elimination of the use of Concept 6 calendars, four track year-round calendars, or bussing in excess of 40 minutes.
   - Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.
6. For purposes of the Overcrowding Relief Grant (ORG), districts must submit the Overcrowding Relief Grant District-Wide Eligibility Determination (Form SAB 50-11) prior to the submittal of this funding application. In addition, districts must have had the CDE deem the site eligible for the ORG (pursuant to Section 1859.181) prior to the submittal of this application. For purposes of this apportionment, the following documents must be submitted with this form as well as the documents listed in section 5 above:
   - Overcrowding Relief Grant Eligibility Determination Form approved by the CDE.
   - Copies of the supporting documentation provided to the CDE when determining the density of the site, including the site diagram.

   The district is not required to submit its current CBEDS enrollment data.
7. Modernization Adjusted Grant pursuant to Section 1859.70. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):
   - Form SAB 50-03 (if not previously submitted).
   - P&S for the project that were approved by the DSA.
   - If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.83(f), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.
   - DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
   - Cost estimate of the proposed site development necessary for the Reconfiguration of an existing high school.
   - Plan approval letter from the CDE.

- Districtwide enrollment data on Form SAB 50-01 when requesting project assistance (if not previously submitted).
- If the request includes funding for 50 year old permanent buildings pursuant to Section 1859.78.6, a site diagram identifying all buildings to be modernized in the project. The diagram must specify those buildings that are at least 50 years old.
- Written confirmation from the district's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.

8. Final Charter School Apportionment for Charter School Facilities Rehabilitation pursuant to Section 1859.167.1. For purposes of this apportionment, the following documents must be submitted with this form (as appropriate):

- P&S for the project that were approved by DSA.
- If the request includes funding for accessibility and fire code requirement pursuant to Section 1859.167.3(d), the DSA approved list of the minimum accessibility work required and a detailed cost estimate for the work in the plans.
- DSA approval letter for elevator to meet handicapped compliance, if funding is requested.
- High performance incentive (HPI) scorecard from DSA.
- Plan approval letter from the CDE.
- Construction cost estimate signed by the architect of record or design professional.
- Determination of financial soundness from the California School Finance Authority (CSFA).
- Written confirmation from the applicant's career technical advisory committee indicating that the need for vocational and career technical facilities is being adequately met within the district consistent with Education Code Sections 51224, 51225.3(b), 51228(b), and 52336.1.

9. ~~Prior to acceptance of an application for funding includes a financial hardship request:~~ If the application includes a request for Financial Hardship, the district must comply with the requirements of Section 1859.81.

- ~~If the application is submitted pursuant to Section 1859.81, the district must have its financial hardship status "pre-approved" by the OPSC. To apply for a financial hardship "pre-approval", consult the OPSC Web site at www.dgs.ca.gov/opsc.~~
- If the application is submitted when there is Insufficient Bond Authority, as defined in Section 1859.2, the district must adopt a school board resolution pursuant to Section 1859.95.1(b).

If the district is requesting New Construction funding after the initial baseline eligibility was approved by the Board and the district's current CBEDS enrollment reporting year is later than the enrollment reporting year used to determine the district's baseline eligibility or adjusted eligibility, the district must complete a new Form SAB 50-01 based on the current year CBEDS enrollment data, and submit it to the OPSC with this form. In addition, if the district's request is fully or partially based on eligibility derived from an Alternative Enrollment Projection, the district must update the Alternative Enrollment Projection to correspond with the CBEDS enrollment data for the current year. A small district with 2,500 or less enrollment as defined in Section 1859.2 will not have its eligibility reduced for a period of three years from the date the district's baseline eligibility was approved by the Board as a result of reduction in projected enrollment.

For a list of the documents that must be submitted in order for the OPSC to deem a funding request for new construction or modernization complete and ready for OPSC processing, consult the SFP handbook and other information located on the OPSC Web site at www.dgs.ca.gov/opsc.

For purposes of completing this form for a Final Charter School Apportionment, a charter school shall be treated as a school district.

SPECIFIC INSTRUCTIONS

The district must assign a Project Tracking Number (PTN) to this project. The same PTN is used by the OPSC, the DSA and the CDE for all project applications submitted to those agencies to track a particular project through the entire state application review process. If the district has already assigned a PTN to this project by prior submittal of the P&S to either the DSA or the CDE for approval, use that PTN for this application submittal. If no PTN has been previously assigned for this project, a PTN may be obtained from the OPSC Web site at www.dgs.ca.gov/opsc "PT Number Generator."

1. Type of Application

Check the appropriate box that indicates the type of School Facility Program (SFP) grant the district is requesting for purposes of new construction, modernization, a separate design and/or site apportionment, site apportionment as an environmental hardship or New Construction (Final Apportionment). If the application is for the modernization of school facilities and includes facilities that are eligible for an additional apportionment pursuant to Section 1859.78.8, include a site diagram with this application that specifies the age of each facility eligible for modernization. The diagram should also indicate the date of its original DSA plan approval and the date the facility received its prior modernization apportionment. If known include the project modernization number on the diagram. If the application is for modernization of a California School for the Deaf or Blind, the CDE shall check the box identified as Modernization of California Schools for the Deaf/Blind. If the request is for a separate design apportionment, the CDE shall check the appropriate box. If the eligibility for this project was established as a result of the need for new or replacement facilities pursuant to Section 1859.82 (a) and (b), seismic replacement or seismic rehabilitation for the Most Vulnerable Category 2 Buildings, or rehabilitation pursuant to Section 1859.83 (e), check the appropriate box(es).

If this request is for an addition to an existing site and advance funding for the evaluation and RA costs, check the appropriate box and refer to Section 1859.74.4.

If this request is for an Overcrowding Relief Grant, check the New Construction (Overcrowding Relief Grant) box.

If this request is to convert a Preliminary Apportionment or a Preliminary Charter School Apportionment to a Final Apportionment, check the New Construction Final Apportionment, New Construction Final Charter School Apportionment or the Rehabilitation Final Charter School Apportionment box, as appropriate.

If the district is requesting a separate site and/or design apportionment, complete boxes 2a, 3, 4, the site acquisition data in box 5 (d and e), and boxes 13, 14, 15, 16, and 24 only.

2. Type of Project

a. Select the type of project that best represents this application request and enter the total number of pupils assigned to the project for each grade group. Include pupils to be housed in a new or replacement school authorized by Section 1859.82 (a). The amount entered cannot exceed the district's baseline

eligibility determined on Form SAB 50-03 and will be the basis for the amount of the new construction or modernization grants provided for the project.

If this request is for a Final Apportionment, the pupils assigned to the project must be at least 75 percent, but not more than 100 percent, of the pupils that received the Preliminary Apportionment. Refer to Section 1859.147.

For ORG projects, the amount entered cannot exceed the Overcrowding Relief Pupil Eligibility (pursuant to Section 1859.182 and 1859.183) as reflected in the total number of eligible pupils determined by the Form SAB 50-11 or the CDE Overcrowding Relief Grant Eligibility Determination form.

For Charter School Facilities Program Rehabilitation, leave the number of pupils blank.

b. Check the box if the project is eligible for funding for 50 year or older permanent buildings and report, at the option of the district:

- The total number of eligible classrooms or the total eligible square footage building area at the site. Refer to Section 1859.78.6(b)(1)(A) or (b)(2)(A).
- The total number of permanent classrooms or the total permanent square footage building area that is at least 50 years old and not been previously modernized with state funds. Refer to Section 1859.78.6(b)(1)(B) or (b)(2)(B).
- Enter the greater percentage as calculated under Regulation Section 1859.78.6(b)(1)(C) or Regulation Section 1859.78.6(b)(2)(C).
- If this project includes eligible 50 year or older pupil grants, enter the appropriate number assigned to the project for each grade group. The number of pupils entered cannot exceed the cumulative number of 50 year or older permanent buildings pupil grants requested for all modernization funding applications for the site as determined by using the percentage factor above.

c. If this request includes pupil grants generated by an Alternative Enrollment Projection Method, enter the number of pupils by grade level.
d. Indicate if this request is for funding of a 6–8 school and/or an Alternative Education School.
e. Check the applicable box if the district is requesting additional pupil grants assigned to the project that exceed the capacity of the project or if the pupils assigned represent eligibility determined at another grade level and check the appropriate box to indicate under which regulation the district is applying. The pupil capacity of the project may be determined by multiplying the classrooms reported in box 3 by 25 for K–6; 27 for 7–8, 9–12 grades; 13 for non-severe and 9 for severe.
f. If the request is for replacement facilities pursuant to Section 1859.82 (a) or (b) on the same site, check the facility hardship box.
g. Enter the square footage of the non-toilet area and toilet area contained in the Charter School Facilities Program Rehabilitation project.
h. Indicate the site scenario that best represents the project request.
i. For ORG projects, the district must provide the following information in the space provided:
   - Name of the eligible school site(s) where portables will be replaced in this project
   - Number of portables being replaced at each school site
   - Number of site specific eligible pupils being requested for this project for each school site. The total number of site specific eligible pupils assigned to this project must equal the total number of pupils in Section 2a.

3. Number of Classrooms

Enter the:

- Number of classrooms as shown on the plans and specifications (P&S). If there was demolition at the site, report the net increase in the number of classrooms showing in the P&S.
- Master plan site size, as recommended by the California Department of Education.
- Recommended site size, as determined by the California Department of Education.
- Existing Useable Acres already owned at that location (if any).
- Proposed Useable Acres that was/will be purchased as part of the application (if any).

4. Financial Hardship Request

Check the appropriate box~~(es)~~ if the district is requesting financial hardship assistance because it is unable to meet its matching share requirement.

- ~~If the district is submitting this form pursuant to Section 1859.81, the district must have received a pre-approval for financial hardship status by the OPSC. Consult the OPSC Web site at www.dgs.ca.gov/opsc for details and necessary documentation needed in order to determine eligibility.~~
- If the application includes a request for Financial Hardship, the district must comply with the requirements of Section 1859.81.
- If there is Insufficient Bond Authority for the type of application, check the second box and attach a school board resolution pursuant to Section 1859.95.1(b).

5. New Construction Additional Grant Request

Check the appropriate box(es) if the district requests an augmentation to the new construction grant for "additional" grants for the items listed or for replacement facilities pursuant to Section 1859.82(a) and (b). Refer to Sections 1859.72 through 1859.76 and 1859.82(a) and (b) for eligibility criteria. Enter the:

a. Therapy area in square feet as provided in Section 1859.72.
b. Multilevel classrooms in the P&S pursuant to Section 1859.73.
c. Check the box if the district is requesting project assistance pursuant to Section 1859.73.1. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
d. If the project the district is requesting SFP funding for does not require an RA, refer to Section 1859.74. If a RA is required on a site that is not leased or an addition to an existing site, refer to Section 1859.74.2. If RAs are required on a leased site or an addition to an existing site, refer to Sections 1859.74.3 or 1859.74.4, respectively. The limitation of 50 percent may be exceeded when unforeseen circumstances exist, the CDE determines that the site is the best available site, and substantiation that the costs are the minimum required to complete the evaluation and RA.

   1) Enter 50 percent of the actual cost.
   2) Enter 50 percent of the appraised value of the site. If the request is made pursuant to Regulation Section 1859.74.5, enter 50 percent of the appraised value.
   3) Enter 50 percent of the allowable relocation cost.
   4) Enter two percent of the lesser of the actual cost or appraised value of the site (minimum $25,000).
   5) Enter 50 percent of the Department of Toxic Substances Control (DTSC) fee for review and approval of the phase one environmental site assessment and preliminary endangerment assessment reports. Refer to Sections 1859.74, 1859.74.1, 1859.74.5, 1859.75, 1859.75.1 and 1859.81.1.

   A project that received site acquisition funds under the Lease-Purchase Program (LPP) as a priority two project is not eligible for site acquisition funds

under the SFP. A district-owned site acquired with LPP, SFP or Proposition 1A funds is not eligible for funding under Regulation Section 1859.74.5.

e. Enter 50 percent of the amount allowable for hazardous materials/waste removal and/or remediation for the site acquired pursuant to Sections 1859.74.2, 1859.74.3, 1859.74.4, 1859.75.1 or 1859.81.1. If an RA is required, check the box.
f. Enter 50 percent of eligible service-site development, off-site development including pedestrian safety paths and utilities costs allowed pursuant to Section 1859.76. Attach cost estimates of the proposed site development work which shall be supported and justified in the P&S. All cost estimates shall reflect 100 percent of the proposed work.

   Check the box if the district is requesting an Additional Grant for General Site Development pursuant to Section 1859.76

g. If the district is requesting replacement facilities on the same site, (including seismic replacement), enter the square footage requested as provided in Section 1859.82(a) or (b).
h. If the request for seismic rehabilitation does not exceed 50 percent of the current replacement cost of the classroom or related facility, report 50 percent of the health/safety seismic mitigation cost and the ancillary costs as authorized by Section 1859.82(a).
i. Enter the square feet of eligible replacement area as provided by Section 1859.73.2.
j. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.71.3, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.71.3(a)(3).
k. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.71.2.
l. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.71.6 or 1859.77.4, as appropriate, subject to Education Code Section 17070.965.

6. Modernization Additional Grant Request

a. Check the box if the district is requesting project assistance allowance pursuant to Section 1859.78.2. If the district has not submitted a request for new construction baseline eligibility on a district-wide basis, it must submit a current Form SAB 50-01 based on district-wide enrollment data with this form.
b. If the district is requesting an Additional Grant for Energy Efficiency pursuant to Section 1859.78.5, enter the percentage of energy efficiency that exceeds Title 24 requirements as prescribed in Section 1859.78.5(a)(3).
c. Check the box if the district requests an additional grant for site development utility cost necessary for the modernization of 50 years or older permanent building(s). Enter 60 percent of the eligible costs allowable pursuant to Section 1859.78.7(a).
d. Check the box(es) if the district requests and the project qualifies for additional funding for fire code requirements authorized in Section 1859.78.4.
e. If the district is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.70.4, enter the number of high performance points as prescribed in Section 1859.77.4, subject to Education Code Section 17070.965.

7. Excessive Cost Hardship Request

Check the appropriate box to request an augmentation to the New Construction or Modernization Grants for an excessive cost hardship for the items listed. Refer to Section 1859.83 for eligibility criteria. Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA).

At the district's option, the district may request three percent of the modernization base grant or enter 60 percent of the amount calculated pursuant to Regulation Section 1859.83(f). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

If the request is for the excessive cost grant for a new Alternative Education school pursuant to Section 1859.83(c)(2) and the district wishes to request less than the maximum allowance, please submit a letter along with application indicating the desired amount.

If the request is for rehabilitation mitigation, report 80 percent or 60 percent (as appropriate) of health/safety rehabilitation mitigation cost for a modernization project as authorized by Section 1859.83(e).

8. Charter School Facilities Program Rehabilitation – Additional Grant and Excessive Cost Hardship Request

Additional Grant Request

a. If the applicant is requesting an Additional Grant for High Performance Incentive pursuant to Section 1859.77.4, enter the number of high performance points as prescribed in Section 1859.77.4.

Excessive Cost Hardship Request

Check the appropriate box to request an augmentation to the Charter School Facilities Program Rehabilitation grants for an excessive cost hardship for the items listed. Refer to Section 1859.167.4 for eligibility criteria.

b. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to Geographic Location pursuant to Section 1859.167.3(a).
c. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant for a small size project pursuant to Section 1859.167.3(b).
d. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to Urban Location, Security Requirements, and Impacted Site pursuant to Section 1859.167.3(c).
e. Check the box if the applicant requests and qualifies for an Excessive Cost Hardship Grant due to accessibility and fire code requirements pursuant to Section 1859.167.3(d). Requests for excessive cost grants for accessibility requirements are allowed only if required by the Division of the State Architect (DSA). At the applicant's option, the applicant may request three percent of the Charter School Facilities Program Rehabilitation Grant or enter 50 percent of the amount calculated pursuant to Regulation Section 1859.167.3(d)(2). Attach a copy of the DSA approved list that shows the minimum work necessary for accessibility requirements.

9. Project Priority Funding Order

Enter the priority order of this project in relation to other new construction applications submitted by the district on the same date. If applications are not received on the same date, the OPSC will assign a higher district priority to the application received first. Check the box(es) if the project meets the criteria outlined in Section 1859.92(c)(3),(4) and (6), as appropriate. This information is needed for purposes of priority points.

10. Prior Approval Under the LPP

If the project the district is requesting SFP grants for received a Phase P, S, or C approval under the LPP, report the application number of that project, regardless if the project actually received funding or was included on an "unfunded" list. Failure to report this information may delay the processing of the application by the OPSC.

11. Prior Apportionment Under the SFP

If the project received a separate apportionment under the SFP for either site and/or design, or site environmental hardship, enter the application number of the project. Failure to report this information may delay the processing of the application by the OPSC.

12. Preliminary Apportionment to a Final Apportionment

If this request is to convert a Preliminary Apportionment to a Final Apportionment, enter the application number of the Preliminary Apportionment. Failure to report this information may delay the processing of the application by the OPSC.

13. Alternative Developer Fee

The district must report certain alternative fees collected pursuant to Government Code Section 65995.7, as of the date of application submittal to the OPSC. Refer to Section 1859.77 for details. Districts are advised that the OPSC may perform an audit of the developer fees collected prior to application approval by the Board.

14. Adjustment to New Construction Baseline Eligibility

Pursuant to Section 1859.51 certain adjustments to the district's new construction baseline eligibility must be made each time a district submits Form SAB 50-04, to the OPSC for SFP new construction or modernization grants. These adjustments are made by the OPSC based on information reported by the district on this form.

a. Report all classroom(s) provided after the district submitted its request for determination of its new construction baseline eligibility for the grades shown, or indicate N/A if there are none. Refer to Section 1859.51(i).

   In the additional classroom column, indicate the number of additional net classrooms provided if not previously reported.

   In the replacement classroom column, indicate the number of classrooms that were included in the determination of the district's new construction eligibility pursuant to Education Code Section 17071.75 but replaced in a locally funded project.

   Enter the date the initial construction contract was signed for additional or replacement classrooms.

15. Pending Reorganization Election

Complete only for new construction projects. Indicate if there is a pending reorganization election that will result in a loss of eligibility for this project. If the answer is "yes", the district must complete Form SAB 50-01, Form SAB 50-02 and Form SAB 50-03, to adjust the district's new construction baseline eligibility as a result of the reorganization and submit them with this form.

16. Joint-Use Facility/Leased Property

Check the box if:

a. The facilities to be constructed/modernized as part of this project will be for joint use by other governmental agencies.
b. The new construction or modernization grants will be used for facilities located or to be located on leased property.

17. Project Progress Dates

a. Enter the date(s) the construction contract(s) was awarded for this project(s). If a construction contract has not been executed, enter N/A. (If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)
b. Enter the issue date(s) for the Notice to Proceed for the construction phase of the project, or enter N/A if a Notice to Proceed has not been issued.
c. If a construction contract was awarded prior to January 1, 2012, check the appropriate box to indicate whether or not the district has initiated and enforced a Labor Compliance Program (LCP) approved by the Department of Industrial Relations (DIR) pursuant to Labor Code Section 1771.7 for this project.

18. Prevailing Wage Monitoring and Enforcement Costs

If the construction contract(s) for this project was awarded on January 1, 2012 through June 19, 2014, check the appropriate box to indicate which of the following methods was or is being used to meet the requirement for prevailing wage monitoring and enforcement pursuant to Labor Code Section 1771.3 in effect on January 1, 2012 through June 19, 2014:

- DIR Public Works administration and enforcement
- A DIR-approved internal LCP
- A collective bargaining agreement that meets the criteria set forth in Labor Code Section 1771.3(b)(3) in effect on January 1, 2012 through June 19, 2014.

19. Construction Delivery Method

Check the box that best represents the construction delivery method that the district has or will use for this project, if known.

20. Career Technical Education Funds Request

Indicate if Career Technical Education (CTE) funds will be requested for classroom(s) included in the plans and specifications for this project pursuant to Section 1859.193. If "Yes", enter the number of CTE classroom(s) shown on the P&S.

21. Overcrowding Relief Grant Narrative

The district must either provide an explanation in the space provided or attach a letter signed by the district representative detailing how this project will relieve overcrowding.

22. Architect of Record or Licensed Architect Certification

The architect of record or the licensed architect must complete this section.

23. Architect of Record or Design Professional Certification

The architect of record or the appropriate design professional must complete this section.

24. Certification

The district representative must complete this section. For additional information regarding district certifications, refer to the SFP handbook located on the OPSC web site at www.dgs.ca.gov/opsc.

The school district named below applies to the State Allocation Board via the Office of Public School Construction for a grant under the provisions of Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et seq., of the Education Code and the Regulations thereto.

SCHOOL DISTRICT		APPLICATION NUMBER
SCHOOL NAME		PROJECT TRACKING NUMBER
COUNTY	DISTRICT REPRESENTATIVE'S E-MAIL ADDRESS	HIGH SCHOOL ATTENDANCE AREA (HSAA) OR SUPER HSAA (IF APPLICABLE)

1. Type of Application—Check Only One

☐ New Construction
☐ New Construction (Final Apportionment)
☐ New Construction (Final Charter School Apportionment)
☐ New Construction (Overcrowding Relief Grant)
☐ Rehabilitation (Final Charter School Apportionment)
☐ Modernization
☐ Modernization of California Schools for Deaf/Blind

Separate Apportionment

☐ Site Only—New Construction [Section 1859.81.1]
☐ Site Only (District owned)—New Construction [Section 1859.81.2]
☐ Site Only—Environmental Hardship [Section 1859.75.1]
☐ Design Only—New Construction [Section 1859.81.1]
☐ Design Only—New Construction with High Performance
☐ Design Only—Modernization
☐ Design Only—Modernization with High Performance
☐ Design Only—Modernization of California Schools for Deaf/Blind
☐ Facility Hardship [Section 1859.82(a)]
  ☐ Seismic Replacement
  ☐ Seismic Rehabilitation
☐ Facility Hardship [Section 1859.82(b)]
☐ Rehabilitation [Section 1859.83(e)]
☐ Advance Funding for Evaluation and RA

2. Type of Project

a. ☐ Elementary School
☐ Middle School
☐ High School

Total Pupils Assigned:
K–6: _____
7–8: _____
9–12: _____
Non-Severe: _____
Severe: _____

b. ☐ 50 Years or Older Building Funding (Modernization Only)
Total Eligible Classrooms/Square Footage: _____
Classroom/Square Footage at Least 50 Years Old: _____
Ratio of 50 Years Old Classrooms/Square Footage: _____ %
From 2a above, how many are 50 Year or Older Pupil Grants?
K–6: _____
7–8: _____ Non-Severe: _____
9–12: _____ Severe: _____

c. Included in 2a above, how many pupils are generated by the Alternative Enrollment Projection? (New Construction Only)
K–6: _____
7–8: _____ Non-Severe: _____
9–12: _____ Severe: _____

d. Is this a 6–8 school? ☐ Yes ☐ No
If you answered yes, how many K–6 pupils reported above are sixth graders? _____
Is this an Alternative Education School? ☐ Yes ☐ No

e. Is this a use of grant request pursuant to Section 1859.77.2? ☐ Yes ☐ No
Is this request pursuant to Section 1859.77.2(c)? ☐ Yes ☐ No
If yes, enter date of successful bond election: _____
Is this a use of grant request pursuant to Section 1859.77.3? ☐ Yes ☐ No
Is this request pursuant to Section 1859.77.3(c)? ☐ Yes ☐ No
If yes, enter date of successful bond election: _____

f. ☐ Facility Hardship (no pupils assigned)

g. Charter School Facilities Program Rehabilitation Request:
Toilets (sq. ft.) _____
Other (sq. ft.) _____

h. Project to be located on:
☐ Leased Site
☐ New Site
☐ Existing Site with Additional Acreage Acquired
☐ Existing Site with No Additional Acreage Acquired

i. ORG Projects Only

NAME OF ELIGIBLE SCHOOL SITE(S)	NUMBER OF PORTABLES BEING REPLACED	NUMBER OF SITE SPECIFIC ELIGIBLE PUPILS BEING REQUESTED
	Total	

3. Number of Classrooms: _____
Master Plan Acreage Site Size (Useable): _____
Recommended Site Size (Useable): _____
Existing Acres (Useable): _____
Proposed Acres (Useable): _____

4. Type of Financial Hardship Request

☐ ~~Submittal with OPSC "pre-approval" letter~~
☐ Submittal pending OPSC approval pursuant to Section 1859.81(h)
☐ Submittal with school board resolution, pursuant to Section 1859.95.1 (Insufficient Bond Authority)

5. New Construction Additional Grant Request—New Construction Only

a. Therapy: Toilets (sq. ft.) _____
Other (sq. ft.) _____

b. Multilevel Construction (CRS): _____

c. ☐ Project Assistance

d. Site Acquisition:

(1) 50 percent Actual Cost: $ _____

(2) 50 percent Appraised Value: $ _____

(3) 50 percent Relocation Cost: $ _____

(4) 2 percent (min. $25,000): $ _____

(5) 50 percent DTSC Fee: $ _____

e. 50 percent hazardous waste removal: $ _____

☐ Response Action (RA)

f. Site Development

☐ 50 percent Service-Site: $ _____

☐ 50 percent Off-Site: $ _____

☐ 50 percent Utilities: $ _____

☐ General Site

g. Facility Hardship Section 1859.82(a) or (b)

☐ Toilet (sq. ft.): _____

☐ Other (sq. ft.): _____

h. ☐ Seismic Rehabilitation [Section 1859.82(a)] $ _____

i. Replacement area

☐ Toilet (sq. ft.): _____

☐ Other (sq. ft.): _____

j. ☐ Energy Efficiency: _____ %

k. ☐ Automatic Fire Detection/Alarm System

☐ Automatic Sprinkler System

l. ☐ High Performance Incentive (Indicate Points): _____

6. Modernization Additional Grant Request

a. ☐ Project Assistance

b. ☐ Energy Efficiency: _____ %

c. ☐ Site Development—60 percent utilities: $ _____

d. ☐ Automatic Fire Detection/Alarm System

e. ☐ High Performance Incentive (Indicate Points): _____

7. Excessive Cost Hardship Request

New Construction Only

☐ Geographic Percent Factor: _____ %

☐ New School Project [Section 1859.83(c)(1)]

☐ New School Project [Section 1859.83(c)(2)]

☐ Small Size Project

☐ Urban/Security/Impacted Site;

If a new site, $ _____ per Useable Acre [Section 1859.83(d)(2)(C)]

Modernization Only

☐ Rehabilitation/Mitigation [Section 1859.83(e)]: $ _____

☐ Geographic Percent Factor: _____ %

☐ Small Size Project

☐ Urban/Security/Impacted site

☐ Accessibility/Fire Code

☐ 3 percent of base grant; or,

☐ 60 percent of minimum work $ _____

☐ Number of 2-Stop Elevators: _____

☐ Number of Additional Stops: _____

8. Charter School Facilities Program Rehabilitation Additional Grant and Excessive Cost Hardship Request

Additional Grant Request

a. ☐ High Performance Incentive (Indicate Points): _____

Excessive Cost Hardship Request

b. ☐ Geographic Percent Factor: _____%

c. ☐ Small Size Project

d. ☐ Urban/Security/Impacted site

e. ☐ Accessibility/Fire Code

☐ 3 percent of base grant; or,

☐ 50 percent of minimum work $ _____

☐ Number of 2-Stop Elevators: _____

☐ Number of Additional Stops: _____

9. Project Priority Funding Order—New Construction Only

Priority order of this application in relation to other new construction applications submitted by the district at the same time: # _____

Project meets:

☐ Density requirement pursuant to Section 1859.92(c)(3).

☐ Stock plans requirement pursuant to Section 1859.92(c)(4).

☐ Energy efficiency requirement pursuant to Section 1859.92(c)(6).

10. Prior Approval Under the LPP

New Construction: 22/ _____

Modernization: 77/ _____

11. Prior Apportionment Under the SFP

Site/Design—New Construction: 50/ _____

Design—Modernization: 57/ _____

12. Preliminary Apportionment to Final Apportionment

Preliminary Apportionment Application Number: # _____

13. Alternative Developer Fee—New Construction Only

Alternative developer fee collected and reportable pursuant to Regulation Section 1859.77: $ _____

14. Adjustment to New Construction Baseline Eligibility

a. Classroom(s) provided:

Additional		Replacement	
K–6:	_____	K–6	_____
7–8:	_____	7–8	_____
9–12:	_____	9–12	_____
Non-Severe:	_____	Non-Severe	_____
Severe:	_____	Severe	_____

Construction Contract(s) for the project signed on:

_____ _____

15. Pending Reorganization Election—New Construction Only ☐ Yes ☐ No

16. Joint-Use Facility/Leased Property

a. ☐ Joint-Use Facility
b. ☐ Leased Property

17. Project Progress Dates

a. Construction Contract(s) awarded on: _____
(If the space provided is not sufficient for all applicable contract dates, please list all dates on a separate attachment to this form.)
b. Notice(s) to Proceed issued on: _____
c. If the Construction Contract(s) was awarded prior to January 1, 2012, have you initiated and enforced an LCP approved by the DIR pursuant to Labor Code Section 1771.7 for this project? ☐ Yes ☐ No

18. Prevailing Wage Monitoring and Enforcement Costs

If the Construction Contract(s) was awarded on January 1, 2012 through June 19, 2014, please indicate which monitoring requirement was or is being used, pursuant to Labor Code Section 1771.3 in effect on January 1, 2012 through June 19, 2014:

☐ DIR Public Works administration and enforcement
☐ DIR approved District LCP
☐ Collective bargaining agreement, pursuant to Labor Code Section 1771.3(b)(3) in effect on January 1, 2012 through June 19, 2014

19. Construction Delivery Method

☐ Design-Bid-Build
☐ Design-Build
☐ Developer Built
☐ Lease Lease-Back
☐ Energy Performance Contract
☐ This project includes or will include piggyback contract(s) as defined in Section 1859.2
☐ Other: _____

20. Career Technical Education Funds Request

Will CTE Funds be requested for classroom(s) included in the plans and specifications for this project? ☐ Yes ☐ No
Number of CTE classroom(s): _____

21. Overcrowding Relief Grant Narrative

_____
_____
_____
_____

22. Architect of Record or Licensed Architect Certification

I certify as the architect of record for the project or as a licensed architect that:

- The P&S for this project were submitted to the OPSC by electronic medium (i.e., CD-ROM, zip disk or diskette) or as an alternative, if the request is for a modernization Grant, the P&S were submitted in hard copy to the OPSC.
- Any portion of the P&S requiring review and approval by the Division of the State Architect (DSA) were approved by the DSA on _____ (enter DSA approval date).
- Any portion of the P&S not requiring review and approval by the DSA meets the requirements of the California Code of Regulations, Title 24, including any handicapped access and fire code requirements.
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, the P&S include the demolition of more classrooms than those to be constructed in the project, the difference is _____ classroom(s). (Indicate N/A if there are none.)
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, the P&S include the construction of more classrooms than those to be demolished in the project, the difference is _____ classroom(s). (Indicate N/A if there are none.)

ARCHITECT OF RECORD OR LICENSED ARCHITECT (PRINT NAME)

SIGNATURE	DATE

23. Architect of Record or Design Professional Certification

I certify as the architect of record for the project or the appropriate design professional, that:

- If the request is for a New Construction Grant, not including the ORG, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S including deferred items (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share, less site acquisition costs and the High Performance Base Incentive Grant. This cost estimate does not include site acquisition, planning, tests, inspection, or furniture and equipment and is available at the district for review by the OPSC.
- If the request is for a Modernization or Charter School Facilities Program Rehabilitation Grant, I have developed a cost estimate of the proposed project which indicates that the estimated construction cost of the work in the P&S, including deferred items and interim housing (if any) relating to the proposed project, is at least 60 percent of the total grant amount provided by the State and the district's matching share , less the High Performance Base Incentive Grant. This cost estimate does not include planning, tests, inspection or furniture and equipment and is available at the district for review by the OPSC.

ARCHITECT OF RECORD OR DESIGN PROFESSIONAL (PRINT NAME)

SIGNATURE	DATE

24. Certification

I certify, as the District Representative, that the information reported on this form, with the exception of items 22 and 23, is true and correct and that:

- I am an authorized representative of the district as authorized by the governing board of the district; and,
- A resolution or other appropriate documentation supporting this application under Chapter 12.5, Part 10, Division 1, commencing with Section 17070.10, et. seq., of the Education Code was adopted by the school district's governing board or the designee of the Superintendent of Public Instruction on, _____; and,
- The district has established a "Restricted Maintenance Account" for exclusive purpose of providing ongoing and major maintenance of school buildings and has developed an ongoing and major maintenance plan that complies with and is implemented under the provisions of Education Code Section 17070.75 and 17070.77 (refer to Sections 1859.100 through 1859.102); and,
- The district has considered the feasibility of the joint use of land and facilities with other governmental agencies in order to minimize school facility costs; and,
- If this funding request is for the modernization of portable classrooms eligible for an additional apportionment pursuant to Education Code Section 17073.15, the district certifies that (check the applicable box below):
  - ☐ 1. The state modernization funds will be used to replace the portable classrooms and permanently remove the displaced portables from the classroom use within six months of the filing of the Notice of Completion for the project; or,
  - ☐ 2. It has provided documentation to the Office of Public School Construction which indicates that modernizing the portable classrooms eligible for an additional apportionment is better use of public resources than the replacement of these facilities.
- Facilities to be rehabilitated under the Charter School Facilities Program previously funded with School Facility Program State funds meet the requirements of Section 1859.163.6; and,
- All contracts entered on or after November 4, 1998 for the service of any architect structural engineer or other design professional for any work under the project have been obtained pursuant to a competitive process that is consistent with the requirements of Chapter 10 (commencing with Section 4525) of Division 5, of Title 1, of the Government Code; and,
- If this request is for new construction funding, the district has received approval of the site and the plans from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- If this request is for modernization or Charter School Facilities Program Rehabilitation funding, the district has received approval of the plans for the project from the CDE. Plan approval is not required if request is for separate design apportionment; and,
- The district has or will comply with the Public Contract Code regarding all laws governing the use of force account labor; and,
- This district has or will comply with Education Code Section 17076.11 regarding at least a 3 percent expenditure goal for disabled veteran business enterprises; and,
- The district matching funds required pursuant to Sections 1859.77.1 or 1859.79 has either been expended by the district, deposited in the County School Facility Fund or will be expended by the district prior to the notice of completion for the project; and,
- The district has received the necessary approval of the plans and specifications from the Division of the State Architect unless the request is for a separate site and/or design apportionment; and,
- If the district is requesting site acquisition funds as part of this application, the district has complied with Sections 1859.74 through 1859.75.1 as appropriate; and,
- With the exception of an apportionment made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 18 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105); and,
- If the apportionment for this project was made pursuant to Section 1859.75.1, the district understands that the lack of substantial progress toward increasing the pupil capacity or renovation of its facilities within 12 months of receipt of any funding shall be cause for the rescission of the unexpended funds (refer to Section 1859.105.1); and,
- The district understands that funds not released within 18 months of apportionment shall be rescinded and the application shall be denied (refer to Section 1859.90); and,
- The statements set forth in this application and supporting documents are true and correct to the best of my knowledge and belief; and,
- All school facilities purchased or newly constructed under the project for use by pupils who are individuals with exceptional needs, as defined in Education Code Section 56026, shall be designed and located on the school site so as to maximize interaction between those individuals with exceptional needs and other pupils as appropriate to the needs of both; and,
- This form is an exact duplicate (verbatim) of the form provided by the OPSC. In the event a conflict should exist, the language in the OPSC form will prevail; and,
- The district understands that some or all of the State funding for the project must be returned to the State as a result of an audit pursuant to Sections 1859.105, 1859.105.1, 1859.106; and,
- The district has complied with the provisions of Sections 1859.76 and 1859.79.2 and that the portion of the project funded by the State does not contain work specifically prohibited in those Sections; and,
- If the SFP grants will be used for the construction or modernization of school facilities on leased land, the district has entered into a lease agreement for the leased property that meets the requirements of Section 1859.22; and,
- If the application contains a "Use of New Construction Grant" request, the district has adopted a school board resolution and housing plan at a public hearing at a regularly scheduled meeting of the governing board on _____
- as specified in Sections 1859.77.2, or 1859.77.3, as appropriate. The district's approved housing plan is as indicated (check all that apply):
  - ☐ 1. The district will construct or acquire facilities for housing the pupils with funding not otherwise available to the SFP as a district match within five years of project approval by the SAB and the district must identify the source of the funds. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 2. The district will utilize higher district loading standards providing the loading standards are within the approved district's teacher contract and do not exceed 33:1 per classroom. [Applicable for Sections 1859.77.2(a) and (b) and 1859.77.3(a) and (b)]
  - ☐ 3. The pupils requested from a different grade level will be housed in classrooms at an existing school in the district which will have its grade level changed, to the grade level requested, at the completion of the proposed SFP project. [Applicable for Sections 1859.77.2(b) and 1859.77.3(b)]

- If the district requested additional funding for fire code requirements pursuant to Sections 1859.71.2 or 1859.78.4, the district will include the automatic fire detection/alarm system and/or automatic sprinkler system in the project prior to completion of the project; and,
- The district has consulted with the career technical advisory committee established pursuant to Education Code Section 8070 and the need for vocational and career technical facilities is being adequately met in accordance with Education Code Sections 51224, 51225.3(b), and 51228(b), and 52336.1; and,
- If the district is requesting an Additional Grant for Energy Efficiency pursuant to Sections 1859.71.3 or 1859.78.5, the increased costs for the energy efficiency components in the project exceeds the amount of funding otherwise available to the district; and,
- If this application is submitted after January 1, 2004 for modernization funding, the district has considered the potential for the presence of lead-containing materials in the modernization project and will follow all relevant federal, state, and local standards for the management of any identified lead; and,
- The district has initiated and enforced an LCP that has been approved by the DIR, pursuant to Labor Code Section 1771.7, if the project is funded from Propositions 47 or 55 and the Notice to Proceed for the construction phase of the project is issued on or after April 1, 2003 and before January 1, 2012; and,
- The district has contracted with the DIR for prevailing wage monitoring and enforcement pursuant to Labor Code Section 1771.3(a) in effect on January 1, 2012 through June 19, 2014, if the construction contract was awarded on January 1, 2012 through June 19, 2014 and the district has not obtained a waiver for the requirement, pursuant to Labor Code Section 1771.3(b) in effect on January 1, 2012 through June 19, 2014. The district understands that if it fails to meet this requirement, it will be required to repay all state bond funds received including interest; and,
- Beginning with the 2005/2006 fiscal year, the district has complied with Education Code Section 17070.75(e) by establishing a facilities inspection system to ensure that each of its schools is maintained in good repair; and,
- If this application is submitted pursuant to Section 1859.180, the district certifies that within six months of occupancy of the permanent classrooms, it will remove the replaced portables from the eligible school site and K–12 grade classroom use with the exception of schools described in Education Code Section 17079.30(c); and,
- The district has considered the feasibility of using designs and materials for the new construction or modernization project that promote the efficient use of energy and water, maximum use of natural light and indoor air quality, the use of recycled materials and materials that emit a minimum of toxic substances, the use of acoustics conducive to teaching and learning, and the other characteristics of high performance schools; and,
- If the district is requesting an additional grant for high performance incentive funding, the school district governing board must have a resolution on file that demonstrates support for the high performance incentive grant request and the intent to incorporate high performance features in future facilities projects; and,
- If this application is submitted when there is Insufficient Bond Authority, the district has adopted a school board resolution pursuant to Section 1859.95.1; and,
- The district will comply with all laws pertaining to the construction or modernization of its school building.

NAME OF DISTRICT REPRESENTATIVE (PRINT)	PHONE NUMBER
SIGNATURE OF DISTRICT REPRESENTATIVE	DATE